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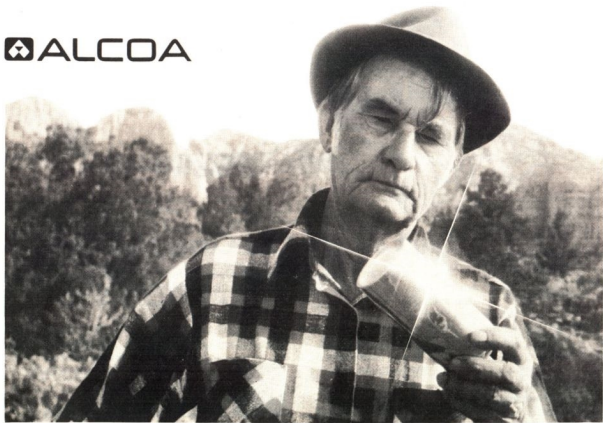
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A Letter from the Editors

I t used to be said that in its early decades, TIME was staffed by poets or, at any rate, by writers who cared more about words than about news. Today we still venerate the word, and we still harbor some poets in our midst, but for a long time now they have been complemented by trained newsmen. One of the first of that breed to join the magazine was Eben Roy Alexander, who came to TIME in 1939 as a veteran reporter from the St. Louis *Post-Dispatch*. As managing editor from 1949 to 1960, he in a sense led TIME into its age of fully professional journalism. When "Alex" died last week, at 79, both old associates and younger staff members who knew him only as a legend paid tribute to an extraordinary journalist and an extraordinary man.

He brought a startling variety of talents and interests to the magazine. He loved opera (*Tosca* was his favorite); he read Latin and Greek, occasionally poring over Aristotle in his office; he was a student of theology and philosophy; he was a military expert, having served Stateside in the Marines during World War I. He was also a skilled pilot who had flown with Charles Lindbergh in the Missouri National Guard. During World War II, Alex used to relax on weekends by test-piloting Gruman fighters.

But above all he was a newsman. He edited TIME's World Battlefronts department during most of World War II. The engagements, which he painstakingly followed on his maps, were almost personal experiences to him; many of the generals were acquaintances, and others came alive through his detailed knowledge and passionate concern.

Given his background, it was natural that when named managing editor of TIME by Co-Founder Henry Luce, he regarded his job much like a military command. He was a

great commander: tough, decisive, but always fair and humane. The managing editor of TIME is responsible for everything that appears in the magazine, for how the magazine shapes its picture of the world each week, and Alex relished that responsibility. His editing pencil raced across the copy, deleting, adding, transposing, scribbling questions in the margin. When the phone interrupted him, he would always answer it himself, avoiding the wasted word

helo and simply stating: "Alexander."

He believed in discipline, and discipline began with himself. He knew his mind. He made quick decisions and stuck to them. Confronted with a problem, a plea, an argument—he always allowed room for argument—he would tilt back in his swivel chair, eyes on the ceiling, hands clasped behind his head. Then a hand would shoot forward, sometimes in a mediating gesture, sometimes as if physically weighing a point. Then the issue was settled, the order given, the voice kindly, the words earthy.

A devout Roman Catholic, Roy Alexander went to Mass every day of his life. As he watched history flow by, he had a strong, unsurprised sense of the evil in human nature—and an even stronger conviction that it is inextricably bound up with good.

"Roy, on the most colossal scale known to any of us, is a good guy," said Editor in Chief Hedley Donovan when Alex retired in 1966. Roy Alexander took all rites of passage as inevitable in life and shunned sentimentality. But on that occasion he allowed himself to say that his colleagues at TIME had meant a great deal to him, and he added: "I think I realize now that I have meant something to all of you."

He did—and to TIME's readers, although they never knew the man.



Managing Editor Roy Alexander

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Cover: Adaptation by Chas. B. Slackman.

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Letters

Voters and Taxes

To the Editors:

The problems of inflation and taxation [Oct. 23] are not things the White House can do much about. The source of the trouble is Capitol Hill, and as you say, in the coming election nobody expects any radical changes in party strengths. The voters keep mindlessly sending back to Washington the same people who have been in control for most of the past 50 years. In the absence of a one-term limitation on Representatives and Senators, who are more concerned with their perpetuation in office than with the public good, the best thing we could do would be to clean house in Washington at every election.

Richard F. Barrett
San Jose, Calif.



Tax cuts? That's nothing. They do it every year. Now let's put the grease where the squeak is. Let's see the politicians cut spending; the tax cuts will take care of themselves.

Jerry Sturdivant
Bishop, Calif.

Being students at a liberal arts college, we know procrastination. "All nighters" are often necessary to get papers out. However, these rarely result in first-class work. Was it necessary for Congress to pull an all nighter to get national legislation out? No! We therefore humbly award Congress a B—

Mark Collins
John Jacobs
Bill Emerson
Middlebury, Vt.

Sure, a \$15 billion tax cut for individuals sounds awesome. However, when it translates into \$5 a week for my family and this is more than offset by the increase in Social Security taxes, I am hardly pleasantly surprised. And the politicians wonder about the current mood of the people. I do not feel Congress got the

Letters

message; apparently it got lost somewhere in the mail.

*Sue Raby
Goode, Va.*

Everybody worries about how big the tax load is. Isn't anybody worrying about how badly the tax load is distributed? Doesn't anyone think an unjust and unsound tax system might be the cause rather than the result of an economy sick with inflation and unemployment?

*Lawrence D. Clark Sr.
Medfield, Me.*

Pulse of China

Congratulations on the brilliant special report on China by Michael Demarest and Carl Mydans [Oct. 23]. A perfect blending of the pictorial and reportorial, making one feel the pulse of modern China, whose doors are now being reopened to the rest of the world.

*Kenneth Lagerstedt
Buzzards Bay, Mass.*

Gosh! Gee whiz! Golly day! Now how about letting us hear from the thousands of escapees who risked their lives to leave Utopia.

*Shari Myers Smyth
Etters, Pa.*

I am a 5-ft. 8-in. blond with a big nose. I feel, however, that I could endure the heckling about my appearance, the cramped CAAC flight and even the absence of french fries and Di-Gel if Mr. Demarest would take me with him to China the next time he goes.

*Deborah Hite Todd
Meridian, Miss.*

I'm awfully sorry to say so, dear gringos, but I'd a million times rather live in China than the good old U.S.A., with its crime, violence, pressures and Coca-Cola culture.

*Frank Valerius
Guatemala City*

Reflection of a Song

My client William Milligan [Oct. 23] informs me that it was Adelen, not Tommy, who wrote down the quoted poem, and that it was not an original. The lyrics were written by Bernie Taupin for an Elton John album *Madman Across the Water*. At no time did my client claim originality for the quote. Your reporter and, I must admit, I assumed that it was original, rather than a reflection of a song in a very disturbed young man's mind.

*Gary M. Schweickart
Columbus*

Prime Mover

John Denver? Sol Linowitz? Thomas Wyman? President Carter's Commission on World Hunger [Oct. 16]? Bunk! It was

Singer-Songwriter Harry Chapin, who is also a member of this commission, who lobbied religiously for more than two years until the reticent Congress and White House finally agreed to its legal creation. If anyone is a prime mover in this effort, he is.

*Peter Morton Coan
Egbertsville, N.Y.*

Lack of Change

"'Middletown' Revisited" [Oct. 16] reminded me of my own town. People seem to think that things have changed a great deal, but I can still enjoy the same things my parents did.

*Susie Bragg
Buckhannon, W. Va.*

With all of the exaggerated, alarmist claims of rapid change overpowering our society, it is a pleasure to see controlled research on social change in the *Middletown III* study.

*Richard S. Bohys
Sioux City, Iowa*

I am a sophomore at Ball State University. We have a saying around here that sums it up in one sentence: Muncie is the armpit of Indiana. Case closed.

*Lori Yeater
Muncie, Ind.*

Wronged Grandfather

The generally excellent article on Hispanics in America [Oct. 16] was marred by an error that I must attempt to correct or my family would never forgive me.

You have wronged my grandfather, who was not an illegal alien as you stated. He came to the U.S. legally in 1880, and settled in Brownsville, Texas, where he became a citizen of the state and the nation under the laws then in effect.

*Leonel J. Castillo, Commissioner
U.S. Immigration & Naturalization
Service
Washington, D.C.*

Positive Contributions

"Trying to Right the Balance," [Oct. 9] contains an assertion that U.S.-based multinationals, including General Motors, harm the nation's balance of trade out of a desire to protect their foreign operations from undue competition from American-made products. I disagree and feel that this statement is unsupportable.

A firm operating in more than one country will not deliberately choose unnecessarily costly locations to build its products. To do so would mean losing profits that could be made by manufacturing products at more efficient locations. In the intensely competitive worldwide market in which GM operates, such a patently inefficient procedure would probably make it impossible for GM to make any overseas sales at all. As you recog-

nize, moreover, multinationals "benefit the U.S. because much of their profit is returned home in the form of retained earnings." In 1977 GM's total international transactions resulted in a net inflow to this country of \$2.4 billion—certainly a positive contribution to the nation's balance of payments.

*Tom Murphy, Chairman
General Motors Corp.
Detroit*

Hefty Benefits

Marshall Loeb, eat your words, and if Martin Feldstein agrees, he may join you. I refer to "The Surest Social Security" [Oct. 23]: "it is now a good deal for beneficiaries because they paid in low taxes years ago and are now collecting hefty benefits." You do not consider the low salaries of the years in which many beneficiaries were contributing and the small benefits that resulted.

*Leata M. Swanson
Omaha*

Bravo, Martin Feldstein! It's about time Government left some of the banking to the bankers. Government is there to help the country, not to administer personal financing.

*Ruby C. Lindner
Faribault, Minn.*

Tribute to the Scrubs

So the Yankees "can field the most devastating starting nine in baseball but have few reserves to call upon when trouble strikes" [Oct. 23]. I'm sure Brian Doyle, Paul Blair and Jim Spencer—as well as the rest of the Yankee bench—would be pleased to know that they are considered scrubs.

*James Robert Arnone
Buffalo*

Haunting Rumor

San Diego suffered a terrible tragedy Sept. 25, when 144 persons died as a result of the collision of two airplanes [Oct. 9]. San Diego has generally been credited with responding marvelously on that dark day. However, a report of looting has haunted San Diego and marred that very positive story. It can't be determined where the original rumor started, but it apparently was repeated by police and news media alike. There is absolutely no evidence that any looting occurred at the crash site or in the immediate vicinity.

Some of our plainclothes officers—called to the scene to help the coroner's office—might have been mistaken for civilians.

*William B. Kolender, Chief of Police
San Diego*

Address Letters to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020



Bishop Topel hanging out the wash at home; right: his dented 1964 sedan, which has 150,000 miles on it

American Scene

In Spokane: A Pauperish Yet Princely Churchman

Long before President Carter was asking Americans to set the thermostat at 65°, the temperature at 1908 East 14th Avenue in Spokane, Wash., had been held near 40°—not to save energy but to save money. 1908 East 14th is a drab four-room frame house in a blue-collar neighborhood. It cost \$4,000 eight years ago, but at the time, as the present tenant explains, "they were having some trouble keeping the paint on it. Great strips would peel off. They were flopping all over the place."

The present tenant is the Most Rev. Bernard J. Topel, 75, for the past 22 years the Roman Catholic Bishop of Spokane and thus the spiritual leader of a diocese numbering 74,000 souls. People who worry about the worldly dignity of the church militant will be pleased to know that the bishop's residence was finally painted by volunteers four years ago. But going to lunch with his excellency might give them pause. These days, when the bishop brings home a guest, he tends to grin and confess, "Lost the front door key. We'll have to go round the back." Then he leads the way to an entrance that has been patched with plywood since thieves broke in to steal last spring. They only got \$1, the bishop happily reports, and were lucky at that. Normally there is nothing of value in the house. The \$1 had been put aside to buy seeds for the large, ragged vegetable garden that provides most of his food. "Funny thing," says Bishop Topel. "I've only bought one packet of seeds in the ten years I've lived here." That first packet apparently gave him a flying start on the rows of beans, peas, carrots, squash, turnips, potatoes, Jerusalem artichokes and comfrey, an herb he mainly uses for tea, that now fill his garden. Neighbors often help with the staples. "I like certain things," admits the bishop, and the word gets around.

"But it is literally correct that I have not paid one penny for food for my house for the past four or five years."

It follows that the bishop does not favor rich viands, even for an occasional guest. A recent lunch visitor found himself dispatched to the garden to pluck a lettuce. As he rinsed it he was confronted with a choice between fish-head soup and lentil soup. (Not straight fish heads, the host explained. Those go for fertilizer. Rather a nourishing fish-head broth.) The guest chose lentils. Followed by some lettuce leaves, drenched in dill-pickle juice, and then by rolls (left by a neighbor) that the bishop turned into dessert by adding some home-grown rhubarb. Such frugality is not done for the mortification of the flesh or the confusion of friends' palates. "I have come to the realization," the bishop mildly explains, "that the most important thing I can do in the church, and that applies to Christians in general, is to live simply in order to give money to the poor. If you don't buy any clothes for years, that saves a lot of money too."

Accordingly, Bishop Topel has learned not only to scrimp on food but to iron patches on his worn-out trousers. For several years now he has worn a pair of black shoes bequeathed him by a priest in his diocese who died. They are two sizes too large, but the bishop solves that problem by wearing two pairs of socks. That in turn is a help when he keeps his thermostat down in winter and goes about indoors, as he sometimes does, clad in coat, hat and muffler. Word of this behavior reached a Jewish matron far away in The Bronx. She wrote saying she would send wool shirts and woolly pajamas. "I wrote back," he recalls, "pointing out that there must be people back there who

needed such things. By return mail I got thermal underwear and ski socks." He laughs. "I put them in a drawer and forgot about them. Two years later, here I am, wearing thermal underwear and ski socks! It turns out that if you're really willing to run the gamut, you can save a lot of money for the poor."

Vows of poverty are not exactly a new idea to Christianity. But there are special religious orders for such things, and a bishop, some churchmen feel, is an administrator, after all, and a worldly eminence. "Kings should live like kings, princes should live like princes, and bishops should live like bishops," a man from Louisville summed up this view in a letter to Topel. Moreover, some cynics point out, if it came to cash accounting, the good bishop might very well generate more money by fund raising than by raising turnips to save on his food bill.

Such observations simply stir the bishop's laughter. Topel clearly believes that it is not the number of dollars raised, but the sharing of what one has with others that matters, and the fact of living poor as well. The people who now come to him for help, he notes, "are much more at home in my little house than they would be in a stately bishop's residence."

Bishop Topel always felt "a bit out of kilter" wearing his jeweled ring. But what he refers to as his "poverty binge" did not really set in until ten years ago, long after he had become a bishop. Topel had wanted to be a priest ever since he was a six-year-old growing up in Bozeman, Mont., the fourth son of an East Prussian tailor who had immigrated to America in 1878. He studied at Carroll College in Helena, Mont., and was ordained in 1927. He proved gifted enough at mathematics



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American Scene

for the church to send him to Catholic University in Washington, D.C., for a degree in education, and then to Harvard and Notre Dame for a master's and doctorate in math. For his whole priesthood, 25 years, he taught at Carroll. "I became a bishop without ever having been a pastor or working in the chancery, the common way to become a bishop. I thought I was the least prepared man to become bishop ever," says Topel. "But then I decided afterward I wasn't."

The great majority of his diocese would agree. A disarming man with a sense of humor and a head for figures, Topel soon proved himself a conservative administrator who delegated authority well and led the diocese into such forward-looking social projects as homes for unwed mothers and housing for the elderly. A notable achievement, the one he is most proud of, was the establishment of the Immaculate Heart Retreat House and a new kind of religious retreat involving private work with a spiritual director and, for the priests and lay Catholics who go there, a 30-day period of almost total silence and prayer. Says Topel: "Sometimes that brings remarkable changes in people's lives."

Bishop Topel has always turned his salary back to the diocese. But ten years



Topel surrounded by children

Sometimes the neighbors help.

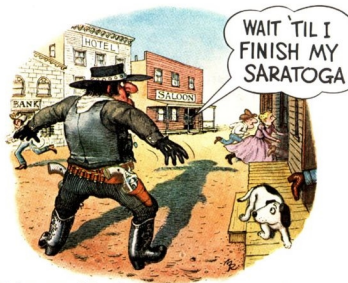
ago, after Vatican II emphasized the need for the Catholic Church to bear witness to poverty and downplay priestly perquisites, trappings and titles generally, Bishop Topel during a prayer retreat "suddenly got the conviction that God wanted me to move into a smaller house. I wanted to live like the poor, and that's the way it's been ever since." He even manages to turn over to the needy some money from his Social Security check.

The first dramatic step was to sell the bishop's 17-room brick residence, which Topel did for \$25,000. (As the legal "corporation sole" of the diocese, the bishop

can dispose of diocesan assets as he sees fit.) He also sold his gem-studded crozier and pectoral cross. All profits were turned over to charity through a special ecumenical committee.

When he turned 75 this spring, Topel, as church regulation requires, submitted his resignation, only to be named apostolic administrator of the diocese until such a time as a bishop could be found to replace him. So far, none has been forthcoming. He still works a full day at his office in the chancery, and whatever his own fiscal condition, will leave the diocese very well run and very well off. "The great majority of the Catholics here like the poverty thing," he observes, though he notes that some, those who favor "triumphalism" (a prideful attitude about the church and its secular image), still feel his eccentric pursuit of poverty is misplaced in a bishop. Topel is indeed much loved and admired for his unworldly show, but not all of his views sit easily with members of the diocese. In a column written for the weekly *Inland Register*, Topel once addressed the topic "Black Is Beautiful" and ended by giving three reasons he might like to be black himself. An irritated parishioner thereupon dropped off a box of black shoe polish. The bishop laughed. And, no doubt, joyfully applied the blacking to the dead priest's shoes.

— Jane Estes



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
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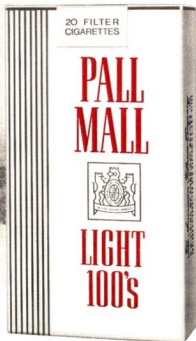
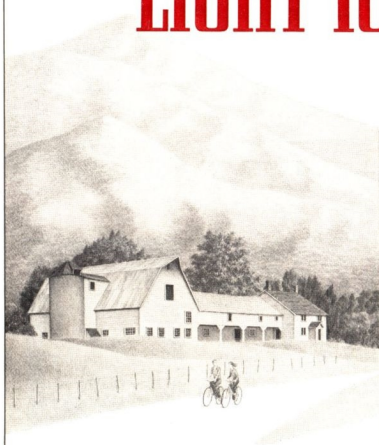
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TIME/NOV. 13, 1978

COVER STORY

To Rescue the Dollar

Carter tries a bold gamble, but will recession next year be the price?



In George Washington's shadow before Manhattan's Federal Hall, the President speaks out "I mean business. I do not intend to fail, and I will not fail."

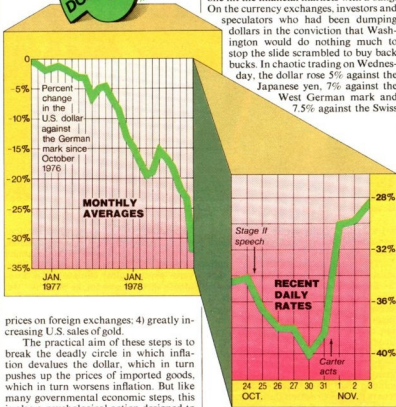
Faint hearts do not win victories—and President Carter desperately needed an economic victory. Raging inflation was undermining the economy at home; overseas, the plunge in the value of the dollar posed a gigantic threat to the stability of the whole world financial system. Wild routs on the currency and stock exchanges were threatening to make his Stage II anti-inflation program a joke before it ever had a chance to get started.

So Carter made the bold move. He and his aides put together a dollar-rescue plan that amounts to a sharp and startling reversal of previous policies and aims to restore credibility to America's currency. The plan involves serious risks of starting a recession, and, at the very least, will slow down the economy. Thus Carter also risked alienating important Democratic constituencies—labor, blacks, liberals generally. But the Administration's economic team put the program together adroitly, with a sense of drama that won cheers from the world business community and provoked the most volcanic response on financial markets since Richard Nixon's surprise announcement of a wage-price freeze in 1971. The essence of the program: massive intervention on exchange markets to prop up the dollar and a switch to a really tough anti-inflation policy.

The week's drama began at 8 a.m. last Wednesday, when phones began ringing in the homes of startled reporters all over Washington. Administration officials told the newsmen that they had better get to the White House for an important announcement at 9. The callers gave no hint of what it would be about. Promptly on the hour, a grim-faced Jimmy Carter strode into a briefing room, climbed onto the podium and read a terse statement: "The continuing decline in the exchange value of the dollar threatens economic progress at home and abroad, and the success of our anti-inflation program . . . It is now necessary to act."

Then Treasury Secretary W. Michael Blumenthal ticked off a list of drastic measures that the Treasury and the Federal Reserve Board will take to uphold the greenback. The key moves: 1) raising the federal discount rate by a full point to a record 9.5%, the sharpest jump in 45 years; 2) reducing by \$3 billion the funds that U.S. banks have available to lend; 3) amassing \$30 billion in foreign currencies, nearly all borrowed, to support dollar

DOLLAR vs. MARK



measures, which were thoroughly leaked so far in advance that the actual announcements became anticlimaxes, this one hit the financial markets with a bang. On the currency exchanges, investors and speculators who had been dumping dollars in the conviction that Washington would do nothing much to stop the slide scrambled to buy back bucks. In chaotic trading on Wednesday, the dollar rose 5% against the Japanese yen, 7% against the West German mark and 7.5% against the Swiss

of a steadier dollar that they optimistically bid up share prices with record speed; the Dow Jones industrial average jumped 35 points Wednesday, its largest one-day rise in history. On the commodity markets, prices for future delivery of cattle, soybeans and cotton briefly fell, partly in the expectation that inflation really would slow down. Oddest of all, bond prices rose sharply, and long-term interest rates actually fell. Apparent reason: a dollar recovery and less inflation might bring interest rates down in the long run, however high the Federal Reserve may jack them up over the next few months.

Bankers and businessmen quickly hailed the measures, which many thought long overdue. "Superb!" exclaimed Robert Abboud, chairman of First National Bank of Chicago. "It is stiff medicine but very much needed medicine, and I applaud the Administration for having the courage to apply it." Ford Motor Co. Vice Chairman and President Philip Caldwell said the dollar-saving moves should "slow inflation and re-establish growth on a healthier basis." Richard Kjeldsen, senior international economist for Security Pacific National Bank in Los Angeles, asserted, "The President's economic package is drastic, abrupt and volatile—it's just what the doctor ordered."

Some of the euphoria clearly passed the bounds of logic, and by week's end a reaction was setting in. Though the dollar continued gaining abroad, stock and bond prices fell back somewhat. The drop indicated that realism was replacing mere enthusiasm. Carter's new program is welcome because it is far better for Government to face up to its difficulties than to continue temporizing. But the fact that the Administration and the Federal Reserve felt such drastic steps to be necessary indicates how seriously the economic situation had been deteriorating.

Impressive as the dollar's immediate gains were, the greenback will stabilize

prices on foreign exchanges; 4) greatly increasing U.S. sales of gold.

The practical aim of these steps is to break the deadly circle in which inflation devalues the dollar, which in turn pushes up the prices of imported goods, which in turn worsens inflation. But like many governmental economic steps, this is also a psychological action designed to show the world that Carter is finally ready to move determinedly against U.S. inflation, which recently hit an annual rate of 10%. Said Carter to a Wall Street crowd, as he stood later in the week beneath a bronze statue of George Washington outside Federal Hall: "I mean business. I do not intend to fail and I will not fail."

Unlike previous Carter economic

franc. Gold, which speculators buy when the dollar is sick and sell when they think it may recover, fell a startling \$23 an ounce by the end of the week, to \$215.

On Wall Street, rising interest rates are usually viewed as the worst of all poisons for the stock market. Yet traders were initially so excited by the promise

Gold bars stored in Fort Knox; money brokers at work in Tokyo; dollars flow from Bureau of Engraving and Printing





At a forum in St. Louis, Jimmy Carter's top economic policy advisers get weapons to "go to bat against inflation"

in the long run only if Carter and the Fed demonstrate that they will stick to a tight-money policy as long as may be necessary to reduce inflation, which could be several years. Meanwhile, higher interest—New York's Citibank led the parade last week by increasing its prime rate to a numbing 10.75%—will raise the cost of borrowing by businessmen to build fac-

ories or buy machinery and by consumers to finance new homes, cars or college educations.

The result, according to many economists—including those who think that the President had no choice—is greatly to increase the chances of at least a mild recession next year (and "mild" might mean a rise in unemployment to 7 million people, from almost 6 million now). Grumbles Arthur Okun, a member of TIME's Board of Economists and sometime Carter adviser: "The foreign exchange speculators got their way. We are going to build fewer houses and buy fewer cars in order to defend the dollar."

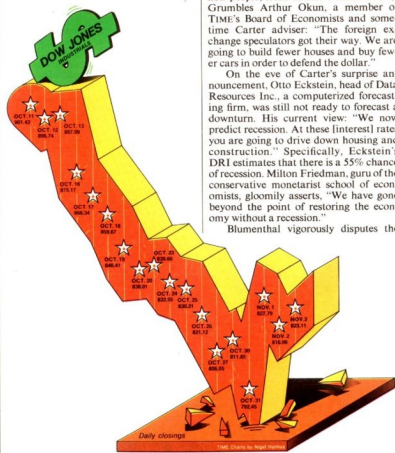
On the eve of Carter's surprise announcement, Otto Eckstein, head of Data Resources Inc., a computerized forecasting firm, was still not ready to forecast a downturn. His current view: "We now predict recession. At these [interest] rates you are going to drive down housing and construction." Specifically, Eckstein's DRI estimates that there is a 55% chance of recession. Milton Friedman, guru of the conservative monetarist school of economists, gloomily asserts, "We have gone beyond the point of restoring the economy without a recession."

Blumenthal vigorously disputes the

idea that last week's Government actions made a recession inevitable. He contends that the downward spiral of the dollar and stock market was mostly a result of a "perverse psychological climate." The President's shock treatment, he predicts, "will turn the situation around." It will give business leaders and consumers confidence that Carter intends to be tough in defending the dollar and fighting inflation, so that they will go on buying and investing. That view has some support even among businessmen who concede that the new program will cause them some trouble. Robert Corson, treasurer of Foxboro Co., a Massachusetts maker of controlling and recording instruments, warned his collection agents that they may have to lean harder on customers to pay their bills: "People try to get free credit out of their suppliers when it gets harder to borrow elsewhere." Nonetheless, he says, "people are glad to see some measures being taken, and the psychological boost might actually encourage expansion."

If the U.S. does avoid recession, it will be a close call. Real gross national product—output of goods and services, discounted for inflation—is rising about 4% this year. The Administration's 1979 target is 3%, a rate that would keep inflation from getting worse but might not be enough to prevent unemployment from rising above its October level of 5.8% (down slightly from 6% in September). Privately, however, Administration officials indicate that they would accept a growth rate of 2%, which would certainly mean more unemployment, even though the U.S. would probably not technically be in a recession.

In any case, the steps Carter finally took last week could no longer be put off. Many economists and foreign money men had been urging them for months. But Carter was obviously worried about the dangers of recession and unemployment, and so he kept convincing himself that the dollar might be miraculously rescued by an improvement in the U.S. trade deficit (down from almost \$3 billion in July to \$1.7 billion in September), by passage



of the long awaited and much battered energy and tax-cut bills, and by the President's Stage II anti-inflation program of wage-price guidelines. After all, money traders, finance ministers and central bankers agreed that the long decline had caused the dollar to be grossly undervalued. The greenback will now buy more coffee, clothes, steel or whatever when spent as a dollar in the U.S. than it will when converted into foreign currencies and spent overseas.

None of these considerations had much effect on the market. The dollar sellers—basically companies and banks that acquire dollars through normal commercial operations—could see only that the inflation rate was rising in the U.S. while it was going down in other countries, and Washington in their view was doing little to check it. Different sections of the Government were even working against each other. Step-by-step increases in interest rates forced by the Fed failed to halt an inflationary increase in the U.S. money supply. So those who sold dollars regarded the sales as a can't-lose bet. Their thinking: So what if the dollar is undervalued? It will probably go down some more, and Washington won't buy dollars to prop up the price. Get out of dollars and buy yen, marks, gold, anything.

For those who went so far as to sell short in dollars, last week's U.S. measures proved expensive. "We sure hope that we mousetrap some bastards with this," gloated one White House senior aide. And although traders named no names, they indicated that some speculators had been hurt. Said a veteran money dealer in Brussels: "One or two companies got their fingers burned right up to their armpits."

According to money traders, American companies have been selling dollars quite as actively as European and Japanese firms. Indeed, André Scaillet, chief money trader in Europe for First National Bank of Chicago, said before last week's rescue that American businessmen "are frequently more bearish on the dollar than the Europeans." Moreover, the selling had spread from U.S.-based multinationals to ordinary companies in the American heartland. In most cases, however, the selling was self-protective rather than speculative in the true sense; if a manufacturer in Illinois bought steel from a German mill, it had a strong motive to sell dollars and buy marks immediately to settle the bill, rather than wait until the steel was delivered when buying the same number of marks might require more dollars.

The turning point, which forced Jimmy Carter to change his mind, came shortly after he went on television Tuesday night, Oct. 24, to announce his Stage II anti-inflation program. He not only proclaimed wage-price guidelines but also pledged to slash the U.S. budget deficit further and ease the inflationary burden of Government regulation on business. Far from steadying, the financial markets

went berserk with the wildest selling spree yet, obviously because investors and speculators judged the policy to be not strong enough. The U.S. stock market tumbled into a deepening nosedive that carried the Dow industrials down 105 points in the twelve trading days before last Wednesday. Gold shot up \$17 an oz., to \$243, in five days. The dollar sank and sank, in five days establishing four successive post-World War II lows against the Japanese yen. To Washington's alarm, the dollar fell not only against the strong German, Swiss and Japanese currencies but also against some of the world's weakest moneys—the Italian lira, the Spanish peseta, even the Canadian dollar, which earlier had fallen further and faster than its U.S. cousin.

The drop opened frightening prospects. As Blumenthal stated on TV last week, an endless fall in the dollar's value

Washington. Even that early, the outlines of the Stage II anti-inflation program had been extensively leaked and discussed in the press. Foreign and American bankers warned U.S. Government officials that if the policy went no further than indicated by the reports they had read, the dollar would continue to fall. Immediately after the IMF meeting, Blumenthal assigned Treasury Under Secretary Anthony Solomon to meet secretly with Fed Chairman G. William Miller and plan what to do in a "worst case" of threatened dollar collapse. Solomon, Miller and two aides met regularly through October but kept their planning secret: Washington was still hoping that Stage II would give the markets confidence.

By Friday morning, Oct. 27, less than three days after the Stage II speech, it was obvious that the hope was in vain.



DRAWING BY BERNARD SCHOENBAUM.
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"If you've come to borrow, Mr. Sanders, I'm afraid you've come to the wrong place."

would destroy any chance that Stage II could succeed; the rise in import prices would overwhelm the most valiant struggles that companies and unions might make to stay within the domestic wage-price guidelines. And continued or accelerating U.S. inflation would eventually bring a much worse recession than any that might be forced by dollar-propping action. As William Fellner, an economist at the American Enterprise Institute, noted, "The risk of getting a recession that would occur earlier was increased [by the dollar-rescue program], but so were the chances that the recession would be milder than expected."

Further, a collapse of the dollar, the world's central trading currency, could paralyze global trade and investment. That could lead to a severe recession, not only in the U.S. but worldwide. Said one Belgian expert: "The world was facing its worst economic crisis since 1929."

The Administration picked up this feeling in September, when the International Monetary Fund convened in

Washington. Even that early, the outlines of the Stage II anti-inflation program had been extensively leaked and discussed in the press. Foreign and American bankers warned U.S. Government officials that if the policy went no further than indicated by the reports they had read, the dollar would continue to fall. Immediately after the IMF meeting, Blumenthal assigned Treasury Under Secretary Anthony Solomon to meet secretly with Fed Chairman G. William Miller and plan what to do in a "worst case" of threatened dollar collapse. Solomon, Miller and two aides met regularly through October but kept their planning secret: Washington was still hoping that Stage II would give the markets confidence.

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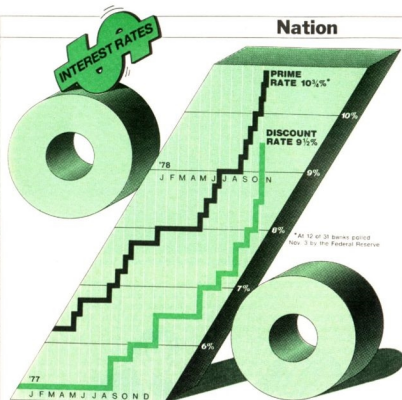
Blumenthal phoned Carter and told him that something had to be done immediately to save the dollar.

The two huddled privately that afternoon following a Cabinet meeting. Carter told the Secretary to accelerate the planning but maintain deepest secrecy.

On Saturday, Oct. 28, Blumenthal, Solomon, Miller, Anti-Inflation Czar Alfred Kahn and Council of Economic Advisers Chairman Charles Schultz agreed on the main elements of the dollar-rescue plan during a four-hour meeting in Blumenthal's conference room. Most of the ideas were first voiced by Solomon, but they were scarcely new: non-Government people had been urging them for months. The group decided to get Carter's approval that night.

The President, returning from a grueling campaign swing through four New

Nation



England states, took a helicopter to the White House rather than going to Camp David as planned; reporters speculated that he was meeting secretly with Soviet Ambassador Anatoli Dobrynin. Just before 10 p.m., the economic advisers slipped into the White House by side doors. Solomon had excused himself from a dinner party at which he was the host by saying he had to meet some steel-industry officials. In a one-hour meeting with Carter in the basement map room, where they were least likely to be observed, they cemented the plan.

Next day Solomon met separately with German and Japanese officials who had been invited to the U.S. in great secrecy, because the approval of their governments was needed for the foreign-currency borrowings. (Japanese Vice Minister of Finance Takekiro Sagami blandly told anyone who asked that he was going to Washington for a medical checkup.) Though the White House denied it, the story in Europe is that Carter himself phoned some foreign heads of government, including West German Chancellor Helmut Schmidt, to tell them what his aides were planning. Schmidt, a bitter critic of Washington's failure to prop the dollar, exclaimed to an aide as he heard about the new plan: "Na, endlich!" (Well, at last!). On Halloween morning, when Blumenthal phoned Solomon from the airport in Tulsa, Okla., Solomon informed him that everyone concerned had approved the plan; Blumenthal proceeded to a meeting of the local economic club and gamely listened

to a Tulsa banker denounce him for doing nothing to defend the dollar.

The cloak-and-dagger secrecy had its desired effect: money and stock traders were caught completely unaware when Carter unfurled the program Wednesday morning (All Saints' Day is a holiday in much of Europe). Details of the plan:

► A one-point increase in the discount rate at which the Federal Reserve lends to commercial banks, pushing it to 9.5%. That was the biggest jump since 1933,* and the more startling because the rate had already been at a record high of 8.5%. It will tend to raise all other interest rates by varying amounts, especially since the Reserve Board coupled the move with action to push up the so-called Fed funds rate at which banks borrow from each other; Fed funds rose about three-fourths of a percentage point, to almost 10%.

► A 2% rise in the reserves that banks are required to keep against deposits of \$100,000 or more. Formerly, the reserve requirement had ranged from 1% to 6%; now it will be 3% to 8%. The result: banks will have to hold in their vaults about \$3 billion that they otherwise could have loaned out. That will act directly to hold down the increase in money supply, if the interest-rate boosts do not do the job.

► A vast expansion of Treasury borrowings to defend the dollar. The U.S. will

*A Treasury aide initially told Carter that the increase would be the largest since 1921. Demonstrating his awesome—and to some advisers infuriating—grasp of detail, the President quickly corrected him: there had been a one-point leap in 1933, and the 1921 boost the aide had been thinking of was actually a point and a quarter.

borrow nearly \$20 billion in yen, marks and Swiss francs from the Japanese, German and Swiss governments and the IMF. In addition, the Treasury will sell up to \$10 billion in bonds denominated in marks, Swiss francs and yen to private investors overseas. The whole \$30 billion will be available to buy up surplus dollars to prevent their price from going down further. Explains Federal Reserve Governor J. Charles Partee: The scramble to sell dollars resembled "a classic run on a bank, and the reaction was also classic. You have got to stack the money out in front and say, 'Take it.' Pretty soon you'll see that people won't want it."

► A quintupling of the amount of gold the U.S. sells each month from its vaults. The U.S. has been selling 300,000 oz. a month; beginning in December, the sales will be increased to "at least" 1.5 million oz. At present prices, that would be worth more than \$320 million—but the hope is that the sales will drive the price down and make the dollar look better.

Taken together with his earlier pronouncements, these steps mark not just a sea change but an ocean change in Carter's economic policies. As recently as January, his budget and economic messages charted a policy of stimulating the economy to bring down unemployment by tax cuts and big deficits; inflation got secondary mention and the exchange value of the dollar virtually none at all. Now the President says he is committed to a program of holding down federal spending, reducing the deficit, lessening regulation of business, raising interest rates and tightening money supply. It all sounds very Republican; about the only Democratic element left in the package is the wage-price guidelines.

Even before last week's measures, Carter's political advisers were worried lest the new economic line alienate supporters on the President's left. Consumerist leaders, for example, are most unhappy about the prospect that regulation might be relaxed. The anti-inflation, save-the-dollar effort might well stir discontent among low-income voters, who may see it as pro-business (though a recession would hurt business sales and profits). Yet Vice President Walter Mondale reported to a final meeting Tuesday night that he had found deep and growing concern around the country about the dollar's plight, so that the political impact of a dramatic rescue program might be to help Democrats in this week's election. Carter's advisers, however, fear that the austerity policy will provide a rallying point for opponents in the party who might challenge him in the 1980 primaries. In the President's view, that is a risk he must take. By far the greater threat to his reelection would be continued high inflation, which angers more voters than just about anything else.

But will Carter's measures work? Only if he holds to them even when the re-

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VOLKSWAGEN DOES IT AGAIN



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sults begin to turn unpleasant. The clearest reaction among economists, bankers and businessmen in the U.S. and Europe last week was that borrowing to defend the dollar would "buy time" to tackle inflation and the trade deficit. That is no insignificant gain; until the mad dollar-selling orgy was stopped, no economic policy of any kind had a chance of succeeding. The Administration has now shown speculators that the dollar can go up as well as down, and the boldest seller will think twice about fighting against an additional \$30 billion war chest.

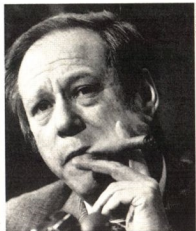
Europeans were quick to point out, though, that last week's rebound of the dollar did no more than restore it to its extremely low levels of three weeks ago; it still takes an even dollar, converted into Swiss francs, to buy a cup of coffee in Zurich. Washington has intervened in the exchange markets before and set off momentary dollar rallies, but it has never bought enough bucks for a long enough time to have any lasting effect. And even \$30 billion is not much when measured against the \$600 billion or more in greenbacks that are floating around outside the U.S. Holders of those dollars can be persuaded to hang on to them in the long run only if they are convinced that the Administration is serious about bringing down inflation, and can do it.

So the real question is whether Carter and the Federal Reserve will stick to a policy of high interest rates, slower money-supply growth and tight budget restraints when the economy slows significantly and unemployment begins to rise. That goes against Carter's instincts as a populist. Even in his Stage II speech he could not bring himself to say anything about money supply, and some of his politically sensitive advisers wanted to include in that talk a promise of lower interest rates; they were dissuaded only after a drawn-out fight.

The Administration's record for consistency in economic programs is, to put it mildly, not reassuring. Policy has jerked about erratically, from preparing a package of revenue-raising tax "reforms" to abandoning almost all of it; from insisting that a \$60.6 billion deficit could not be avoided in fiscal 1979, which started Oct. 1, to slashing that figure to \$39 billion. A major problem is that Carter has never chosen one official to coordinate economic policy. Treasury Secretaries like Henry Fowler (1965-68) and George Shultz (1972-74) have often exercised such a role in the past, but Blumenthal has never achieved that stature or authority. Blumenthal deserves some criticism; in addition to his early waffling on the dollar, he badly misread the state of the economy last January. On the other hand, he has been the target of sniping from the White House staff ever since they got the idea he

was putting the knife into Bert Lance. Besides, Carter prefers to decide everything himself, listening first to one adviser, then another, and meanwhile his "team" voices a babble of conflicting ideas.

The confusion continued last week. Even as the President was announcing the program that the financial markets had been waiting to hear, some Administration officials most unwisely expressed hope that dollar-buying intervention on the currency exchanges would be necessary only for six months or so; fortunately,



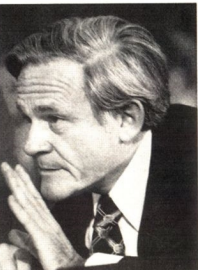
W. Michael Blumenthal (top), Charles Schultze (right), G. William Miller (bottom)

nobody noticed much. Kahn, on a TV interview show, was asked whether he would support mandatory wage-price controls if necessary to avoid a recession. He said he would, contradicting a year of Administration insistence that it would never consider controls in a situation short of war or a comparable national emergency. By week's end, Kahn recanted: he told the Senate Banking Committee that it is "terribly important that Congress realize the damage of even authorizing stand-by authority" for controls.

One test of the Administration's consistency will be what comes out of meet-

ings being held now to prepare the budget for fiscal 1980. Carter has pledged to reduce the \$39 billion deficit further, to no more than \$30 billion. That will take some fancy cutting. Even if no new programs are started at all, the automatic growth in existing activities would result in a deficit of \$46 billion to \$48 billion. And the Administration has promised NATO allies that defense spending will rise 3% a year in real terms. So the cutting will have to come out of the budgets of civilian agencies.

One target for the ax is the \$12 billion that the Government provides to states and cities under the Comprehensive Employment and Training Act so that they can hire the unemployed for public service jobs. The CETA program has been roundly criticized for putting workers into jobs that provide no useful training for employment in the private economy. None-



theless, CETA cuts would anger blacks, who regard the program as of potential benefit to ghetto youths, and organized labor, which already is very unhappy with Carter. Last week AFL-CIO President George Meany denounced the Stage II wage-price guidelines as unfair and demanded a special session of Congress to establish mandatory controls. He also took a swing at the dollar-rescue program, contending that higher interest rates would hurt workers. The President's cold response, delivered by telephone to a forum in St. Louis: "We got about as much cooperation from Mr. Meany as we had expected."

In all likelihood, rising interest rates really will hurt. At 10.75%, the prime rate that banks charge their most creditworthy business borrowers is a full three points higher than a year ago. Given the increases last week in the discount and Fed funds rates, predictions are now common that the prime will go on up to 12% or even 13%. Since all other bank lending charges

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are related to the prime, that would mean higher borrowing costs for everybody. Only once before has the prime reached 12%, and that was in 1974—when the nation's worst post-World War II recession was gathering force.

Rising interest rates are supposed to prompt dollar holders to invest their money in the U.S. in order to earn rich returns. In theory, high rates also restrain the borrowing that fuels inflation. Unfortunately, they hit the economy in uneven fashion. The prize example is housing, an industry

almost totally dependent on credit. Right now it is in a furiously inflationary cycle. People think that a new home is likely to increase in value faster than anything else they might buy, so they borrow heavily to buy new houses; the demand causes house prices to shoot up faster still. So far, this cycle has proved impervious to rising interest rates, but at some point it has to break. Both mortgage and construction loans will become so expensive that buyers and builders will not be able to afford them. Trouble is, a decline in housing his-

torically has led the whole economy into recession.

A crackdown on the money supply would increase the pain. In that case, credit would become not just expensive but simply unavailable to some people and businesses. In almost every country, the authority to expand or contract the money supply is vested by law in the government's central bank; in the U.S., that body is the Federal Reserve.

Though there are at least five definitions of what constitutes money supply,

The Risk of Recession

Will Jimmy Carter's rescue operation lead to a recession? A growing number of economists are forecasting one for 1979, with their odds varying from about fifty-fifty to 2 to 1. Members of the TIME Board of Economists see it this way:

Arthur Okun of the Brookings Institution: "A recession is now a probability rather than a possibility for next year."

Otto Eckstein of Data Resources, Inc.: "In the end all the President could do was follow the Republican recipe, to tighten up the economy. It has never worked without a recession."

Robert Triffin of Yale University: "The new program gives convincing evidence that the U.S. will fight inflation, but recession is a serious danger. We may have to accept an interim period of this unpleasantness."

Joseph Pechman of Brookings: "The President's program substantially increases the probability of a recession very soon."

Consultant David Grove: "There may be no way to break the back of inflation without recession. We aren't capable of fine tuning."

Alan Greenspan of Townsend-Greenspan and Co., Inc.: "Carter's actions significantly increase the probability of recession by mid-1979."

A recession is roughly defined as two consecutive quarters of real decline in the gross national product. Most of the six U.S. recessions since World War II have started with high interest rates' causing a slowdown in housing. Then came reduced consumer spending and cutbacks in business outlays for plant and equipment. Even if the prospective recession follows that traditional pattern, though, most economists now believe it will be comparatively mild and not a repetition of the severe downturn of 1973-75.

One of the more pessimistic views is held by James Howell, chief economist and vice president of Boston's First National Bank. He thinks the economy has sufficient momentum to carry it to the beginning of the second quarter in 1979, but "then the country will have a tough row to hoe for the remainder of the year." Howell expects 2 million people to be added to the unemployment rolls, leading to a jobless rate of about 8% (compared with a high of 9.2% during the last recession). A. George Gols, an economist with Arthur D. Little, Inc., expects a recession that "only tech-

nicians will be able to define." There may not actually be two successive quarters of negative growth, he says. A quarter of decline might be followed by a quarter of slight growth, then back to a decline. "It will feel painful," says Gols. "When you sprain or fracture an ankle, it still hurts."

Administration officials do not accept the forecasts of a recession. Last week Treasury Secretary W. Michael Blumenthal speculated that next year's growth in G.N.P. would be about 3% or more. "It may be a shade above that for a quarter or two," said he, "or a shade below." Added William Cox, deputy chief economist at the Commerce Department: "I still feel we're not likely to have an outright recession next year. There are several elements of strength in the picture." He cited increased business investment and the improving balance of trade. "There's a reasonably good chance that

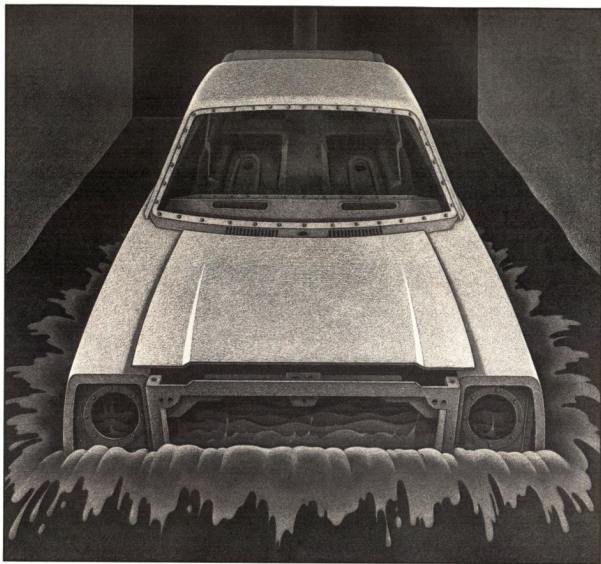
business investment will not be knocked into a cocked hat. The question is how well business can look over the valley and gauge the steepness of the hill on the other side."

The Administration's optimism is supported by some outside experts. Karl Otto Pöhl, vice president of the Bundesbank, West Germany's central bank, believes a U.S. recession can be averted by skilled handling of monetary policy and the eventual easing of interest rates. "There will be a braking effect," he says, "but other economic indicators are quite strong in the U.S., and a cautious balancing should avoid recession." Werner Flandorfer, currency expert of the Bonn Economics Ministry, agrees. "The Fed's action will not have any real recessive effect. It will slow down the boom but will not plunge the country into a recession."

A large number of economists, however, feel that a recession is destined no matter what the Administration may do. "There is no such thing as an uninterrupted period of expansion," says James H. Lorie, a professor of business administration at the University of Chicago. "The current expansion is 3½ years old. So it's past middle age. A downturn has got to be next." Some observers feel that it would be better to have a recession sooner rather than later. Says Washington University's Murray Weidenbaum, also a member of TIME's Board of Economists: "We've now taken the painful medicine that will both slow down inflation and the economy. The alternative was a more serious downturn after a more serious inflation in 1980. The longer you postpone the distasteful medicine, the bigger the dose you have to take."



The line at the Detroit unemployment office in February 1975



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Nation

the most common one is currency and coins plus checking deposits (M1). The usual process by which it is expanded: the Fed buys on the open market securities originally issued by the U.S. Treasury, and pays with its own checks, which are backed by no reserves. Thus it creates money out of thin air. Then the checks are deposited in banks by the sellers of the securities and add to the reserves that banks have available to back new loans. (Some of the loans are made to the Government; the more the Treasury has to borrow to finance budget deficits, the faster the money supply grows.) The process is often referred to as "printing money," but that is a metaphor; the literal printing of dollar bills is done by the Treasury's Bureau of Engraving and Printing.

For the past two years, the Fed has set a target of increasing money supply no more than 6% or 6.5% a year. But in 14 of the 21 months through September, money supply grew at a faster rate, sometimes more than twice as fast. The annual rate in September was 14%. Says Chicago Banker Beryl Sprinkel, a member of TIME's Board of Economists: "Monetary policy has been more expansive than I can remember in my lifetime, except during World War II."

Why? One reason is the speed with which funds can be switched electronically from one bank account to another—for example, from savings accounts, which are not counted in the basic M1 money supply, to checking accounts, which are. A much more important reason is the voracious credit demands of a growing and inflationary economy. The arithmetic is simple: if real G.N.P. increases 3.5% and prices rise 8.5%, approximately the results expected this year, money supply must increase 12% to accommodate both. If it grows more slowly, then either production or inflation—or both—must slow down. A few economists fear that the bite will come out of production, and they oppose anything but a very gradual slowdown in money growth. "Anyone who calls for a sharper cut," says Arthur Okun, "is advocating recession, and he should come out and say so."

Many economists believe that money growth must be slowed or inflation will never subside, and the dollar will never strengthen more than momentarily (a good many of the newly created dollars find their way overseas and are sold on the money exchanges for other currencies). Officially, at least, the Fed agrees. It has been trying to move interest rates up enough to discourage borrowing, so that it will not be under pressure to add so much to bank reserves in order to meet the demand.

So far, that policy has been a flat failure. Individuals and companies have gone

on borrowing despite the high rates. One reason: since loan interest is paid in depreciated dollars, it can still be regarded as cheap. If a loan costs 10.5% but inflation proceeds at an 8% rate, the "real" interest rate is 2.5%.

Leif Olsen, a star economist at Manhattan's Citibank, points out that business borrowing from commercial banks in the first nine months of this year rose at an annual rate of 15.1%, and borrowing by households is also at a record high. Borrowing by Government to finance budget deficits adds to the demand. Alan Greenspan, a member of TIME's Board of Economists, singles out mortgage credit as "a monster loose in the system," devouring money. People are not only borrowing to build new houses but taking out second mortgages on existing homes to finance

pleas that it shovel in more, no matter how intense the demand for loans becomes, and let interest rates go wherever the market takes them. The board has traditionally resisted that approach out of fear that an abrupt crackdown in an inflationary economy would cause interest rates to leap up so violently as to produce financial chaos. Miller has said that if the board had tried that strategy in 1974 the prime rate would have hit 20%, and "as a former businessman [he was chairman of Textron at the time] I can tell you that such a level of rates would have been insupportable."

Nonetheless, it seems imperative for the Federal Reserve to tighten up by feeding less money into the banks than people want to borrow from them, an effort in which Miller will need Carter's full support. Though the board runs its own show on interest rates and money supply and is not subject to presidential orders, as a practical matter it must try to coordinate its policy with that of the Administration.

That is only one of the ways in which the President's economic policy will be sorely tested in coming months. Last week Carter was saying all the right things, working a strong anti-inflation pitch into all his campaign speeches on behalf of Democratic candidates. Typically, he told a friendly crowd of 3,000 in the Niles East High School gym just outside Chicago: "I have spelled out to the Congress, to the American people, indeed to the world, a commitment on my part to make sure that we get inflation under control."

In arranging last week's dollar rescue, the Administration also showed a sense of style and timing in economic policy that it had never before displayed. By keeping their mouths shut, officials managed to spring the announcement just when it would do nearly maximum damage to antidollar speculators. And the President demonstrated commendable willingness to swallow bitter medicine that he had long put off taking. But that ought to be only the start.

In October, wholesale prices for finished goods rose at a disheartening annual rate of 11.4%, indicating, as Carter candidly acknowledged, that inflation will get worse for a while before it improves. The President's advisers aim to bring the inflation rate down at least half a percentage point a year. Given the depth to which inflation has embedded itself in the economy, that goal is probably realistic, but it implies a struggle that may last many years before price increases can be reduced to any pace that could be considered tolerable. During those years, Carter will have to demonstrate a far greater steadiness in policy than he has shown to date. ■



ILLUSTRATION FOR TIME BY MARK EISE

spending of various types. During the 1960s, Greenspan observes, a one-year rise of \$15 billion in mortgage credit was considered large; in the past year the increase has been a staggering \$100 billion.

Last week's moves by the Fed just might, at last, slow down money growth. The money supply did in fact increase much more gently in October; during the week ended Oct. 25 it actually fell a striking \$5.4 billion, to \$358.9 billion. Not much can be read into one week's figures, but the drop came even before the sharp jumps in the discount and Fed funds rates. Bankers view the \$3 billion increase in reserve requirements as an especially important, direct move to restrain the money supply.

The simplest way for the Federal Reserve to control money supply would be to feed a predetermined quantity of reserves into the banking system, turn a deaf ear to

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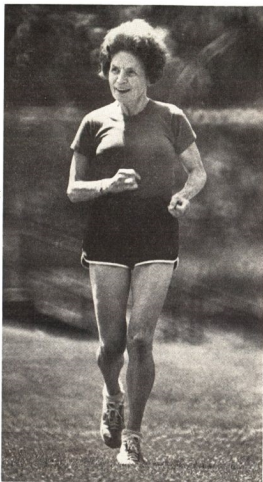
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Nation

Cleveland: Facing Collapse?

The treasury is as bare as the school board president's bottom

The mayor was vacationing at a secret hideaway last week, recuperating from an ulcer attack. The president of the school board was fined \$115 in court for flashing his bare bottom from a car window. The city council president and five other councilmen have been indicted on charges of accepting kickbacks from carnival operators. The city faces bankruptcy and can only pay its policemen for another week.

The city is Cleveland, home of a famed symphony orchestra, a first-rate art

the city's most pressing problem: a shortage of money. According to some estimates, Cleveland is running a \$16.5 million deficit and may have to default on \$15 million in short-term notes that come due next month. One way out, says Finance Director Joseph Tegreene, 25, is to float a \$50 million bond issue in December. But the city's credit rating is as low as New York City's was during its 1975 financial crisis.

Cleveland must also find a way to pay a \$13 million debt owed to the Cleveland

appropriate funds to pay policemen's salaries through Nov. 13 and fire fighters' salaries through Dec. 3. Said Council Majority Leader Basil Russo: "I hate to say it, but I think the city will be under the control of a receiver by the end of the year."

Money problems have aggravated friction between Kucinich and the police. Last December he replaced the department's chief with San Franciscan Richard Hongisto, a liberal defender of homosexuals' rights, who at first was widely disliked by the police but quickly gained the department's respect. Within months Kucinich fell out with the chief and fired him. Not until last week did Kucinich name a permanent successor. The mayor's choice: Jeffrey Fox, a 36-year-old former city personnel director with no previous police experience. The selection left the force seething in anger.

Another source of continuing conflict has been the mayor's relations with the city council. Black Council President George Forbes is one of Kucinich's chief opponents. Now Forbes, along with the five other council members, four of whom are black, has been indicted on charges of accepting kickbacks from local carnival owners in exchange for city permits to operate. Forbes admits taking \$4,000 from them but maintains that he gave the money to charity. Fearing that the indictment might inflame racial tensions in the city, white political leaders and businessmen quickly rallied behind Forbes and began raising money for his defense.

Cleveland's school system is in at least as much trouble as the municipal government. Having managed for two years to delay obeying a federal court's orders to desegregate city schools, which are roughly 60% black, the school board last week voted to sell some 28 vacant school buildings and 20 parcels of land to raise \$2.5 million to buy 80 buses—enough to transport 8,500 of the city's junior high school students. To add to the school board's problems, its 27-year-old president, John E. Gallagher Jr., was convicted in municipal court last week of disturbing the peace. While riding in a car on a highway southwest of the city, he had flashed his bare buttocks at his brother, who was in another car. Gallagher called the adolescent episode "a silly mistake."

The city's business and civic leaders are trying to rebuild the city's image with a \$4.3 million promotion campaign. TV, radio and magazine ads have been prepared around the slogan, THERE'S A WHOLE NEW GENERATION IN CLEVELAND. AND WE'RE BUILDING A WHOLE NEW TOWN. But the current wave of bad news has caused one of the campaign's chief fund raisers, Art Modell, owner of the Cleveland Browns football team, to temper his boosterism. "Let's face it," says Modell, "you can't talk about the great cultural assets of Cleveland when the city looks like it's going bankrupt."



Clevelanders packing a city council meeting that raised emergency funds to pay policemen
Indictments, kickbacks and an Our Gang cast in a city of 623,000.

museum and 25 major corporate headquarters, a number surpassed among cities only by Chicago and New York. Most Clevelanders thought they had escaped becoming a national joke last year when they voted out Mayor Ralph Perk. He once set his hair ablaze with a welding torch while showing his affinity for the workingman during a campaign appearance at a local steel mill.

As Perk's successor, voters chose Dennis Kucinich, 32. He appointed as department heads a group of young Turks who sometimes seemed better suited for an Our Gang movie than for governing a city of 623,000 people. The Kucinich administration quickly shook up the city's business and political establishment—so badly that a recall campaign came within 236 votes of ousting him from office last Aug. 13. Now almost everything seems to be going wrong in Cleveland.

Last week the city council met in emergency session to find a way out of

Electricity Illuminating Co. The privately owned utility sells power to the public Municipal Light Co., which resells it to 46,000 customers. Last spring C.E.I. got federal marshals to begin tagging pieces of city property for sale at auction to satisfy the bill. The private utility has offered to buy out Muni Light, but Kucinich has refused, arguing that it provides a competitive check that curbs rate hikes by C.E.I.

The fiscal crunch led the mayor last May to borrow almost \$18 million from the water department's capital-improvement fund to pay other departments' operating expenses. But now the water system has decayed dramatically: pipes are badly corroded and a filtration plant is in danger of closing down for lack of maintenance. Two weeks ago a local court ordered the water department into receivership while a regional authority prepared to take over its operation.

After two days of debate last week, the best the city council could do was ap-

True. Unexpected taste

at
only

5

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EPA ESTIMATED MILEAGE

COLT HATCHBACK*

MPG HWY.

MPG CITY

44

32

COLT COUPE**

40

30

COLT SEDAN**

40

30

COLT WAGON**

37

26

*1.4 litre MCA-Jet engine. 4 x 2 manual transmission.

**1.6 litre MCA-Jet engine. 4-speed manual transmission.

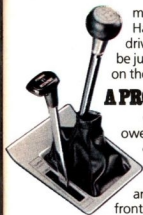
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Why Lillo Is Lying Low

The would-be godfather is afraid of being killed

Night after night, just before bedtime for federal prisoners, two Mafia triggermen walked up to the modern twelve-story Metropolitan Correction Center near New York's city hall. With unidentified inside help, locked doors opened mysteriously for the gunmen, who took up positions in the hall outside one particular cell. Tossing restlessly on the hard pallet behind the bars was chunky Carmine ("Lillo") Galante, 68, who once aspired to become the Mafia's *capo di tutti capi* (boss of bosses). As lights dimmed in the cell block, the two armed men set-

cessant rivalry among the five Mafia clans based in New York City, where the most powerful don is usually looked on by Mafiosi elsewhere in the U.S. as the *capo* with the most respect.

Galante began gunning for the top spot soon after becoming head of the Mafia family once run by Joseph ("Joe Bananas") Bonanno, who now lives in Tucson, Ariz. Galante was immediately challenged by Aniello Dellacroce (translation: Little Lamb of the Cross), who is one of the Mob's most feared executioners and longtime second in command to Car-



Galante and two daughters pushing through crowd outside Miami federal court
On his trail was a skilled hit man known as the Snake.

ried down for a nightlong vigil. Their assignment: to keep other mobsters from putting Lillo to sleep forever.

The extraordinary nocturnal sentry duty by Galante's bodyguards demonstrates both the Mafia's remarkable influence inside U.S. prisons and the fact that there is no rest for a mobster who strives to become godfather and fails. Sooner or later a rival will try to put him out of the running, permanently.

After the Mob's last overlord, Carlo Gambino, died of natural causes in 1976, New York's Galante strutted about the streets as though he were the anointed successor. Despite much press attention, the longtime bootlegger, drug king, racketeer and killer never reached the top. Law enforcement officials figure that Lillo now will be lucky just to keep on living and that his best chance of doing so rests upon protection from federal agents—the hated enemies who have kept him locked up for more than 20 years, one-third of his life.

The threats to Galante grew out of in-

lo Gambino. The wily Dellacroce, 63, paid his respects to Gambino's memory by letting the late *capo*'s brother-in-law, Paul Castellano, remain titular head of the family, while Dellacroce was elevated to the Mafia's ruling commission last summer. He emerged as the most powerful U.S. mobster.

As the feud between Galante and Dellacroce turned bloody, more than a score of their soldiers were slain. Then federal authorities revoked Galante's parole last spring from an earlier 15-year narcotics sentence on the unassailable grounds that he had been "associating with known criminals." At Dellacroce's urging, the Mafia commission in September not only decreed that Galante no longer headed the Bonanno family but let out a contract on his life.

When Galante got that fearful word, he was in the Metropolitan Correction Center. He soon learned that killers from two families were trying to get him: trig-

germen who worked for Dellacroce and others who belonged to the Colombo family, a clan that after a decade of internal struggle is trying to regain other mobsters' regard—and Dellacroce's thanks—by eliminating his rival. Knowing how easily he could be assassinated in prison, Galante arranged to have his bodyguards take up their nighttime baby-sitting beside his cell.

In what appears to have been a routine transfer, Galante was sent in late September to the medium-security federal prison at Danbury, Conn. Once again the armed men turned up at Lillo's bedside to tuck him in and stand guard. But also tracking Galante was a skilled Colombo family hit man, Carmine ("the Snake") Persico. Serving a 14-year sentence in the federal penitentiary at Atlanta for hijacking, the Snake somehow managed to get himself transferred to Danbury. But during the trip north, he was held briefly at the Lewisburg, Pa., federal prison and was visited there by another Colombo gangster. Federal authorities interpreted the meeting as a sign that something was afoot and detained Persico in Lewisburg.

Meanwhile, Dellacroce dispatched hit teams of his own toward Danbury. Federal officials learned about them from wiretaps that revealed talk among mobsters about the contract on Galante. Belatedly, Morris Kuznesof, chief federal probation officer in Manhattan, wrote Danbury Warden Raymond Nelson that he had received information "from a highly reliable source that an attempt to murder Mr. Galante will be made at your institution."

Nelson slapped Galante into solitary confinement "for his own protection." But Lillo apparently prefers to rely on his own security arrangements, without the feds' help. Contending the plots to kill him were fictitious and that the Government was trying to harass the prisoner, his attorney, Roy Cohn,* has asked a federal judge to release Galante from "the hole."

In solitary, Lillo eats alone, exercises under guard in isolated areas and is kept away from other convicts. Even so, he has developed a bad case of the shakes. He is suspicious of his guards and does not even dare turn for comfort to the prison chaplain. One reason is *omertà*, the Mafia oath of silence. Another is the fact that Dellacroce, in one of his favorite disguises, likes to don a clerical collar and go about as "Father O'Neill" (a play on a common mispronunciation of his first name). Lillo has no yearning for the last rites, least of all as administered by the Little Lamb.

*Cohn, who became known nationally for his televised role as Senator Joseph McCarthy's chief counsel in the 1953 Army-McCarthy hearings, now occasionally represents mobsters in court.



Top Mobster Dellacroce

The Odyssey of Huey Newton

Violence is never far from the Black Panthers' leader

Just a decade ago, he seemed to many admirers an almost legendary figure. Enthroned in an oversized wicker chair, sporting a rakish beret and clutching a rifle in one hand and a spear in the other, he looked defiantly out at the world from a thousand wall posters of radical chic. FREE HUEY the bumper stickers cried, and everybody knew that meant Huey Newton, co-founder of the Black Panthers, imprisoned for the death of a policeman in a shootout in Oakland, Calif.

Last week a bearded Huey Newton, 36, imprisoned since Sept. 29 and half forgotten by the world that he once so loudly challenged, appeared in the Alameda County Court. There he received a new sentence of two years on a technical charge of carrying a gun while a felon, but he won his release on \$50,000 bail pending appeal. Later this month, however, he is to go on trial for the street-corner shooting of a 17-year-old prostitute.

It was quite a comedown for a man who once debated Hegelian theories of revolution with Erik Erikson at Yale and who was nominated for Congress in 1968 as a candidate of the Peace and Freedom Party. Newton's defenders argue that these are only the latest clashes in a nearly lifelong battle between Huey Newton and the Oakland police. Even as a teenager, the seventh child of a Baptist minister from Louisiana, Newton acquired a record of arrests for fighting with white policemen. Newton does not deny that he has a hot temper and has often said, "I'm against violence; I'm for self-defense."

The Black Panthers first came to prominence in the 1960s by appearing with guns in hand at scenes where white police were trying to arrest blacks. The police countered by repeatedly stopping and questioning Newton and his band. One of those confrontations led to the famous shootout. There were three trials in all—a conviction reversed on appeal and two hung juries.

When Newton emerged from prison in 1970, he found the Panthers divided into rival factions. One reason was that the FBI had begun a campaign of dirty tricks—counterfeit Panther documents, fake denunciations of various Panthers as police informants—in an effort to disrupt what the agency's Washington intelligence chief called "the most violence prone of all the extremist groups."

By the summer of 1974, Newton had established himself as sole leader of the Panthers. But that was also the summer in which he got involved in several in-



Newton in poster pose

cidents of bizarre violence.

On Aug. 6, 1974, according to the account given by Assistant District Attorney Thomas Orloff, Newton was riding along in a new Lincoln Continental, when he was accosted by a group of prostitutes. One of the prostitutes called out something like "Hey, baby!" Newton jumped out of the car, Orloff says, and began arguing with one of them, Kathleen Smith, 17. The others ran. When they heard a shot fired, they turned back and saw Smith lying on the ground, shot in the head. The girl lingered in a coma for 96 days before she died.

Ten days later, according to Orloff, the dapper Newton was being visited in his penthouse by his tailor, Preston Callins. They began arguing about the price of suits. When Newton complained that he was being ripped off, Callins said, "Oh, baby, don't feel that way." Once again, apparently, the faintly belittling word infuriated Newton. "Nobody calls me no damn baby!" he cried. He seized a revolver, according to Orloff, and pistol whipped Callins, fracturing his skull.



Newton in full regalia, with Tailor Callins

"Nobody calls me no damn baby!"

Police charged Newton with assault, but he contacted the FBI and claimed that he was a target of the underworld. He said the Mafia had put a \$10,000 price on his head because he was resisting Mafia drug pushing (the FBI expresses polite skepticism about this). Then Newton disappeared, in part to avoid the charges against him. He surfaced a year later in Cuba, and there he lived for the next two years, working in a cement factory.

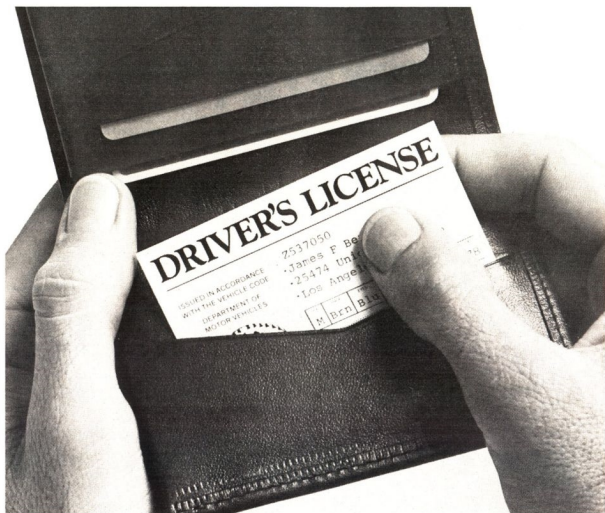
During his absence, the Panthers came under the leadership of Newton's friend Elaine Brown, who urged the Panthers to put more emphasis on traditional politics. Brown ran for the Oakland city council in 1973 and 1975, finishing second both times. She also served as a Jerry Brown delegate to the 1976 Democratic Convention.

During her regime, the Panthers pursued a number of social enterprises that had been started under Newton. They founded and still operate the Oakland Community School, which provides high-level education to 150 ghetto kids. There was and is a program that helps old people to go out shopping and another that provides school lunches. One Panther program offers dances for teen-agers and training in martial arts. Says Oakland County Supervisor John George: "Huey could take street-gang types and give them a social consciousness."

For such community activities, the Panthers won \$500,000 in government grants (and the attention of government auditors, who found a number of instances of sloppiness and mismanagement). Even in the midst of these good works, however, there were some violent incidents that seemed to lead back to the Panthers. The ugliest was the murder of Betty Van Patten, 45, the Panthers' earnest white bookkeeper, who in 1975 was found floating in San Francisco Bay with her head bashed in. There were rumors that she might have made enemies by questioning irregularities in party ledgers, but the case has never been solved.

In the summer of 1977, Newton figured that the political climate had mellowed enough for him to risk coming home. Three months later, the Panther Party was back in the police news. One night in October, three heavily armed men, dressed in dark blue jumpsuits and wearing black ski masks and gloves, started shooting through the door of a home in Richmond, Calif. The occupant, a black woman named Mary Matthews, 56, fired back with the .38-cal. revolver she kept by her bed. One man fell, killed by a burst of machine-gun fire—from behind. The two others fled. The dead man turned out to be a Panther.

The incident was inexplicable until Crystal Gray, who lived in the house in back of Matthews', went to the police and said she apparently was the intended victim. She was one of the witnesses in the murder of prostitute Kathleen Smith. The



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Nation

assassins had attacked the wrong house.

Two weeks after this, a Panther named Nelson Lee Malloy was found, moaning, under a pile of stones in the Nevada desert. He had been shot and left for dead. As a result, Malloy is paralyzed for life from the neck down. He reluctantly told police that he had helped two Panthers escape after the attempted assassination of Gray, and that the Panthers had tried to silence him.

Newton vehemently denies any involvement in these shootings. Sitting in a visiting room on the tenth floor of the Alameda County courthouse, wearing white prison overalls, he admitted in an interview with *TIME* that the attacks "might have been the result of overzealous party members," but he quickly added, "There's no way my interests could have been served by activities like that." Indeed, he still sees most of his difficulties as a con-

sequence of police harassment. During one of his last weeks out of prison, he claims, he was stopped three times by the police. Says Newton: "The cops said, 'Don't move, but put up your hands.' When I put up my hands, I dropped my cigarette. I was cited for littering."

Many citizens, both white and black, share the police suspicion of Newton and blame him for more than he has been charged with. The *Oakland Tribune* has published a number of stories suggesting that Panthers are dealing in drugs and extorting money from nightclubs, and one reporter covering these incidents had her car fire bombed.

But Newton has been remarkably successful in defeating the charges against him. Callins, the beaten tailor, changed his story several times, and when the case went to trial last month, he said he could

not remember who had hit him. Newton was acquitted of assault, convicted only of the relatively minor gun charge for which he was sentenced last week. Newton was also involved in a barroom shooting in Santa Cruz last May, but charges against him were dropped. As for the killing of Kathleen Smith, Newton says: "I don't know anything about it. I had heard I was going to be set up."

Newton talks of a bright future. Although the Panthers now number no more than 500, roughly half their strength a decade ago, he sees them as "very much alive because our survival programs are alive." He has been studying at the University of California for a doctorate in the history of social consciousness, and he looks forward to teaching at the Panther school and participating in local politics. "I plan to work in Oakland," he says. "I love Oakland."

Americana



That's the Way It Isn't

Sakowitz, a Houston department store that tries to give pretentiousness a good name, amuses its millionaire patrons with tongue-in-cheekbook "ultimate gifts" in its Christmas catalogue. Among this year's offerings: a professionally filmed documentary of your life for \$50,000, a private island and lighthouse in the Pacific for \$750,000, your wife's weight in loose 10-carat diamonds at \$4 million per lb. and an offshore oil rig, capable of drilling in 300 ft. of water, for \$28.7 million.

But for those who would just prefer good food and conversation with interesting people, Sakowitz is advertising a \$94,125 dinner with the likes of CBS Newscaster Walter Cronkite and 20 other celebrities, including Pool Professional Minnesota Fats, Economist Milton Friedman and Feminist Gloria Steinem.

Last week Cronkite sent his RSVP: a telegram demanding that Sakowitz "cease and desist" advertising him as available. It turns out that the store had obtained the names from a speakers bureau that represents Cronkite, but the bureau had never cleared the idea with him. Just one less mouth to feed.

Future Shock

What will life be like in 1978? It was a question that opened up tantalizing new worlds of speculation for Richard Auerbach's fifth-graders in Buffalo 25 years ago. Upon opening the envelope of predictions last week, Auerbach found that his pupils had envisioned some wild and fantastic advances. Like supersonic planes crossing the Atlantic in three hours, as Michael Lappin predicted. And as David Seatter speculated, "Men may even walk on the moon." Marion Speich fantasized that there would be push-button telephones. Ah, but those that dreamed more down-to-earth dreams, how little they knew. "There might be a cure for cancer," thought Gail Lewis. And warmer winters in Buffalo were the vain hope of a boy named Francis.

Costly Breaks

People who live in times of rapidly rising prices shouldn't throw stones. New Yorker Patrick McCarthy, 58, knows that when he is sober. But when he has a tipple or two, he tends to have an urge to toss a rock through a window and then waits patiently to be arrested. In 26 years he has broken at least 44 panes and, as a result, has spent about ten years in jail on misdemeanor charges. Neither psychiatrists nor specialists at a federal alcoholism center have been able to help him.

Last week, when McCarthy was brought to trial for his 16th rock attack on his favorite target, the revolving front doors of New York City's federal court-house, he found that his pastime no long-

er comes cheap. Repairing the door now costs more than \$100, which makes his action a felony under U.S. law. Said his lawyer: "Mr. McCarthy finds himself the victim of inflation, Your Honor." Said McCarthy: "I'll never drink again." Said the judge: "Three years."

Letters of Introduction

Tom Smith, who has been delivering mail in Wilmington, Del., for about 25 years, likes to know everybody on his route personally. So when he was assigned to a new route and faced 400 strangers, he dropped them a letter of introduction—in their mailboxes, without postage.



One person complained, apparently because of a postscript in which Smith offered membership forms for the Veterans of Foreign Wars. What he did was illegal, and superiors warned that he could be fined \$300. Smith has offered to pay \$60 in postage to end the matter. Meanwhile, he is obeying the law and making sure that others do too: he is removing all papers that other people, including politicians, place in mailboxes without postage.

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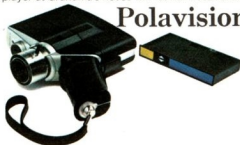
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seconds after his first steps, breath again.





Waving portraits of Muslim Leader Ayatullah Khomeini, antigovernment students demonstrate near University of Tehran

AP/WIDE WORLD

World

IRAN

Another Crisis for the Shah

A grim week of strikes, slowdowns and lingering discontent

Can the Shah survive? Will strikes and slowdowns lead from near anarchy to total chaos? Where is Iran going?

These were questions that plagued nervous Western diplomats as Iran—the oil-rich keystone to stability in volatile Central Asia—staggered through another week of turmoil and antigovernment demonstrations that have brought the economy to a virtual standstill. A walk-out by 11,000 employees of Iran Air grounded all 162 daily flights of the country's flag airline; more serious was a strike by 37,000 workers at Iran's nationalized oil refineries, which initially reduced production from 6 million bbl. per day to about 1.5 million bbl. That strike not only cost the government about \$60 million a day in oil revenues, but also suddenly raised the specter of petroleum shortages in Japan, Israel, Western Europe and, to a much lesser degree, in the U.S.; all these countries depend in part on Iranian crude.

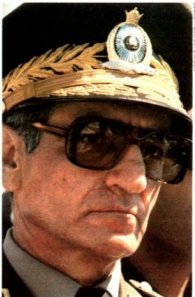
At week's end some oil personnel were already back on the job. But the country's mood remained tense as troops with automatic weapons and tear-gas grenades fired on demonstrating students at Tehran University. The government said there were no deaths, but student groups claimed that 40 or more had been killed. Meanwhile, Shah Mohammed Reza Pahlavi was consulting with leaders of the opposition on how to maintain order without jeopardizing the liberalization

policies that he initiated last summer.

The oilworkers' walkout climaxed two months of labor unrest that has spread to nearly every sector of the economy. Demands ranged from pay hikes to compensation for Iran's oil-fueled inflation (official-

ly pegged at 50%) to political reforms, an end to martial law and the release of all remaining political prisoners. Stung by a strike that involved 1 million civil servants and government workers, authorities by and large have acted swiftly to satisfy many of the grievances. Government workers were granted wage increases ranging from 25% to more than 100% as well as such fringe benefits as subsidized housing. To help pay for the \$1.5 billion settlement, Iran canceled orders for \$7 billion worth of military hardware that had been placed with U.S. and European companies. Ironically, many of the workers who had won increases did not get their paychecks last week. Reason: employees in the Finance Ministry were still out on strike.

Many workers seized on the unrest to press for specific noneconomic reforms as well. Employees at major banks, which have been a frequent target of fire bombs and arson by antigovernment demonstrators, walked out, demanding that they be given protective security. The press, which was partly unshackled last month, successfully won an end to all censorship. Employees of the government-financed National Iranian Radio and Television network, who struck for the second time last week, demanded—and got—Premier Jaafar Sharif-Emami's assurance that there would be no more government interference. Workers at one Tehran daily even struck in opposition to what they



Shah Mohammed Reza Pahlavi

A pilgrim airlift, freedom for prisoners.

called management's "self-censorship" of the news.

Still to be settled, however, were strikes by 400,000 schoolteachers and the Iran Air employees. The airline walkout stranded some 20,000 devout Muslims headed for Mecca on the annual *hajj* (pilgrimage). A plea by religious leaders failed to get the workers back on the job to enable the pilgrims "to perform their religious duties toward Allah." The Shah himself stepped in and ordered the Imperial Air Force to transport the pilgrims to Saudi Arabia. Parents were growing impatient with the school closings, even if their offspring were not. Many schoolchildren took to the streets to join demonstrators and carry placards. It was, allowed eight-year-old Ali Safavi, more fun than "attending boring classes."

Since he announced his liberalization measures, which are designed to culminate in free elections next June, the Shah and Premier Sharif-Emami have lifted restrictions on the formation of new political parties, curbed the activities of SAVAK, Iran's notorious secret police, and cracked down on widespread corruption among profiteering businessmen and former government officials. General Nematullah Nasiri, who was head of SAVAK for 13 years before he was fired last June, has now been brought back from his post as Ambassador to Pakistan reportedly to face charges of corruption and murder. The government will also press charges against Amir Abbas Hoveida, Premier from 1965 to 1977, who has been accused by the opposition of wasting uncounted millions in public funds.

On Oct. 25, eve of the Shah's 59th birthday, 1,126 political prisoners were released, bringing the total to more than 2,700 over the past two months. Many of the former inmates immediately went to newspapers with grim tales of the tortures to which they had been subjected. Last week, for the first time, Iranians read about the horrors that much of the rest of the world already knew: the "Apollo machine," a chair in which prisoners were tied while their feet were slashed and they were tortured with electric shock; the "helmet," a metal apparatus designed to make the victim's screams reverberate inside his head; and such practices as hanging women prisoners naked from the ceiling and burning them with cigarettes. So shocking were the disclosures that newly appointed Justice Minister Hussein Najafi immediately promised the release of Iran's remaining political prisoners, believed to number about 1,000. In addition, 34 top officials of SAVAK were dismissed.

Despite these concessions, there was some question whether Sharif-Emami's government could continue because it does not have the support or participation of opposition members. Last week the Shah reportedly consulted with Ali Amiri, 71, an outspoken critic of his policies in the past who served as Premier during

a similar period of unrest in 1961-62. Karim Sanjabi, leader of the opposition National Front, a loose alignment that includes a broad spectrum of political groups ranging from conservative to leftist, flew to Paris to talk with Ayatollah Khomeini, the dissident mullah who is spiritual leader of Iran's 34 million Shi'ite Muslims. Aides to the Shah confirmed that the monarch intends to confer with Sanjabi when he returns this week. There is speculation that he may be considering a government that would be headed by National Front members.

That might sit well with Iranian moderates, who are increasingly fearful that the disorders might get completely out of hand and spark a military takeover. Martial law is still very visible in the capital; 100,000 troops patrol the streets, and tanks and armored cars make Tehran's

ident told Crown Prince Reza, a student at the U.S. Air Force Academy, when he visited the White House on his 18th birthday last week. "We're thankful for his move toward democracy," Carter added, referring to the Shah's political reforms. "We know it is opposed by some who don't like democratic principles, but his progressive administration is very valuable, I think, to the entire Western world."

A major reason for backing the Shah is the absence of credible alternatives. "If you look at them," says one Administration analyst, "they're more frightening than the crisis itself. There is no opposition capable of taking over." In this expert's view, the best-known moderate critics of the Shah are old-line nationalists who would probably be unacceptable to left-wing groups.



Iranian soldier firing on protesting students during Tehran clash last weekend

Not just an end to martial law, but pay hikes and the release of political prisoners.

notorious traffic jams worse than ever. Despite almost daily demonstrations by protesters, the generals—at least until the weekend shootout at Tehran University—had obeyed the Shah's command to avoid the sort of bloody showdown that followed the imposition of martial law in twelve cities on Sept. 8. One inhibiting factor may be the top echelon's doubt that rank-and-file troops would support their commanders if ordered to attack protesters with bullets and bayonets. Moreover, "shooting Iran into political silence," as one Tehran newspaper put it, would probably fail. Many Western experts believe that the Shah's only hope of calming the unrest is to step aside in favor of his son.

In Washington, the latest turmoil was viewed as, in the words of one Iranian specialist, "very dangerous." From Jimmy Carter on down, the Administration is staunchly committed to the Shah. "Our friendship and our alliance with Iran is one of the important bases on which our entire foreign policy depends," the Pres-

Beyond that, the opposition includes a motley collection of small groups, ranging from the extreme left to the extreme right, that have nothing in common except the desire to bring down the Shah.

One consolation to the West is that Moscow, if Soviet Foreign Minister Andrei Gromyko is to be believed, prefers a stable Iran on its southern border. "You can't say that the Soviet hand isn't there," said a State Department aide about the latest unrest, "but we have no evidence. This isn't Afghanistan [where a military coup brought a pro-Moscow regime to power]. They don't want to contest us on this issue." The Russians, in fact, were suffering more immediately from the oilworkers' strike than the West was. While the Shah's allies worried about the potential future loss of oil exports, a vital pipeline that supplies 10 billion cubic meters per year of Iranian natural gas to military installations and industries in the southern part of the U.S.S.R. was abruptly closed down.

World

MIDDLE EAST

A Point of No Return

That Egyptian-Israeli treaty may be just down the road

Once again euphoria reigned as Egyptian and Israeli negotiators, under Washington's careful guidance, pushed ahead on a peace treaty between the two states. Said an optimistic Secretary of State Cyrus Vance late last week: "We have now resolved almost all the substantive issues." While in the U.S. on a fund-raising tour, Israeli Premier Menachem Begin said that "real progress" had been made and that he hoped to sign the treaty "quite soon, with God's help." Even customarily cautious Egyptian diplomats agreed with their Israeli counterparts that "the point of no return" had been reached on the three-week-old peace talks.

It has been a bumpy road to peace, and a few more jolts could lie ahead. Only

Man medallion, just as he and Begin will share the Nobel Prize for Peace. In an acceptance speech read by former Premier Mamdouh Salem, he pointedly insisted that he went to Jerusalem and to Camp David "to establish peace for the entire area." Despite such oft-repeated assertions, both radical and moderate Arabs are concerned that Sadat has, in effect, sold out to Israel. Last week 20 Arab governments assembled in Baghdad in an effort to counteract the impending Egyptian-Israeli settlement.

The Arab states were as divided as ever. The Palestine Liberation Organization's *de facto* foreign minister, Farouk Kaddoumi, for instance, taunted the Saudis for their continued financial backing

his quarrel with Begin about the expansion of West Bank settlements. On the day the Premier was in New York to receive his award, Carter was there also, campaigning for Democratic Governor Hugh Carey. At first the White House said coldly that the two leaders had no plans to meet. Belatedly considering the impact of such a snub on the city's Jewish voters, the White House hastily scheduled a 20-minute session with Begin and his aides.

That same night Begin ordered his Defense Minister, Ezer Weizman, to fly from Washington to Jerusalem to seek Cabinet support on late developments in the negotiations. This led to speculation that a tentative agreement might be at hand. By that time the draft treaty had been revised at least seven times, and most of the problems had been either solved or sidestepped. Chief among these was the question of "linkage" between an Egyptian-Israeli treaty and further negotiations on the West Bank and Gaza. The two sides agreed to discuss the matter both in a preamble to the treaty and in separate letters that will be attached to the main document.

Most of the remaining issues were relatively minor. Questions concerning the Sinai oilfields still had to be settled, but it seemed likely that neither side would pay compensation to the other. Israel asked that war memorials in each other's territories be preserved—a one-sided request, since there are no Egyptian war memorials on Israeli territory.

Still to be settled, as well, is how much money the U.S. must pay Israel for its withdrawal from the Sinai. The Israelis are reportedly asking \$3 billion to \$4 billion, but the haggling, which has long since become a routine aspect of relations between the two countries, is still going on. In 1970, the Nixon Administration paid dearly (to the tune of about \$500 million a year in additional aid) for the ceasefire with Egypt. Henry Kissinger's 1975 Sinai agreement may well have been the most expensive pact ever negotiated. It not only pledged enormous financial and political support but also opened America's arsenal of advanced weapons to Israel and guaranteed Israel's oil supply for five years. Since Iran still supplies about 50% of Israel's oil, that U.S. guarantee would become particularly significant if the current turbulence in Iran continues.

As for the treaty-signing ceremony, the only thing the two sides are agreed on is that it should be an extravaganza. Sadat has suggested either Cairo or Mount Sinai as the site. Begin has proposed Jerusalem. The Israelis have also mentioned Oslo, where, on Dec. 10, Begin and Sadat are due to receive their Nobel Prize. Jimmy Carter thinks the ceremony should be held somewhere in the Middle East. Chances are, though, that he would be delighted to go anywhere in the world to see the peace treaty signed and sealed. ■



Premier Begin and President Carter in Manhattan with New York Governor Hugh Carey (center). Domestic political considerations helped paper over a quarrel.

a week earlier, the whole mood of negotiations darkened when Israel announced that it would expand the size of five Jewish settlements in the occupied West Bank. That decision had given Egyptian President Anwar Sadat a strong excuse for pulling out of the negotiations if he had wanted to do so. Obviously he did not, even though Begin continued to talk defiantly, even provocatively, about Israel's goals. Accepting this year's Family of Man award from the New York Council of Churches, the Premier once again challenged the U.S. (and Arab) view that East Jerusalem is occupied land. "Jerusalem," he said, "is one city, indivisible, the eternal capital of Israel and of the Jewish people."

Sadat also was awarded a Family of

of Egypt. Unless the Arabs took joint action, he declared, "the Israelis will not stop until they have reached Mecca and seized your oil wealth." To which the Saudi Foreign Minister, Prince Saud al Faisal, replied tartly: "Mecca has a God to protect it. As for the oil, it has men defending it." By week's end the group had voted to raise \$9 billion to strengthen Arab defenses against Israel, and sent a four-man delegation to meet Sadat in hopes of persuading him to give up his peace initiative. But Sadat refused to see them, declaring that "billions of dollars will not buy the will of Egypt. We have taken the difficult road to peace and we will not deviate from it."

Meanwhile, domestic political considerations prompted Carter to paper over

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Photographed at U.S. Department of Energy's Sandia Labs solar thermal test facility near Albuquerque, New Mexico.

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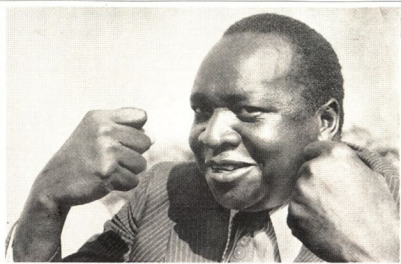
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World



Ugandan Dictator Idi Amin Dada strikes a pugilistic pose

EAST AFRICA

An Idi-otic Invasion

Amin avenges a slight

Even for Uganda's mercurial dictator, Idi Amin Dada, it was a fairly grandiose boast. Last week, after a series of radio broadcasts falsely claiming that his country had been invaded by neighboring Tanzania, Big Daddy announced that a 2,000-man Ugandan force had made a "record in world history" by occupying a 710-sq.-mi. patch of Tanzanian territory in "the supersonic speed of 25 minutes." Henceforth, Amin declared, "all Tanzanians in the area must know that they are under direct rule by the Conqueror of the British Empire"—one of several modest sobriquets that Amin uses to describe his ample (300 lbs.) self.

How long Uganda can sustain this invasion is another matter. Tanzanian President Julius Nyerere launched a massive counterattack, vowing that his 27,000-man, Chinese- and Russian-supplied military force would strike the invaders "until we have finally gotten rid of this snake from our house." Thousands of cheering Tanzanians gathered in Dar es Salaam to urge on Nyerere's army, which commanded buses, Land Rovers and trucks to drive to the front, 850 miles away. But Nyerere reportedly was compelled to ground his air force after Tanzanian soldiers shot down five of their own MiG fighters, mistaking them for Ugandan jets.

Relations between Tanzania and Uganda have been edgy for several years. After Amin seized power in a 1971 military coup, Nyerere offered sanctuary to ousted President Milton Obote, who still lives in an ocean-front home in Dar es Salaam. Obote was soon joined by 20,000 refugees who had fled the Ugandan tyrant's

bloodthirsty attempts to wipe out all opposition. A year later, the exiles staged a poorly organized coup attempt against Amin, who has never forgiven Nyerere for backing his enemies. In one sneering telegram, Amin told the Tanzanian President, "I love you very much, and if you had been a woman, I would have considered marrying you, although your head is full of gray hairs. But as you are a man, that possibility does not arise." Last week Big Daddy, a former heavyweight champion of Uganda, challenged the wiry Nyerere to a boxing match to settle the fate of the invaded land.

Beyond the personal grudges, Uganda and Tanzania have been feuding about unpaid bills racked up by the East African Community, a now defunct economic union that comprised the two countries and Kenya. The Ugandan economy has floundered because of a precipitous decline in the price of coffee, the country's only significant source of foreign earnings.

Amin's invasion of Tanzania, however, was apparently triggered by internal problems—specifically, a mutiny of his troops. The crack Simba (Lion) Battalion rebelled in protest against the country's sagging economy. In early October, dissident troops ambushed Amin at the pre-

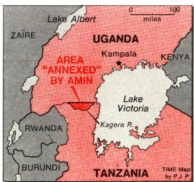
idential lodge in Kampala, but he escaped with his family in a helicopter. Efforts by loyalist troops to smash the rebellion, which had its strongest support in southern Uganda, spilled over into Tanzania, where anti-Amin exiles joined the fighting. Big Daddy's attempt to disguise the true nature of these clashes, and to divert attention from Uganda's domestic troubles, led to his false charges of a Tanzanian invasion. Amin apparently decided that since his soldiers were already in Tanzania, they might as well try to claim the triangle of land north of the Kagera River, and thus complicate future attempts by the exiles to slip into Uganda.

Although both countries have more Communist-supplied armaments than they need for legitimate self-defense, there is little chance that the conflict will escalate into a major war. But already there have been hundreds of casualties from the fighting—a terrible price to pay for what amounts to an Idi-otic invasion.

Another protracted African conflict was heating up in the breakaway Ethiopian province of Eritrea. In the first phase of a major offensive to smash the province's 17-year-old independence movement, Ethiopian forces, backed by Cuban and Soviet technicians and advisers, in August succeeded in reopening the road to the key city of Agordat. There, government troops had been pinned down by guerrillas of the Eritrean People's Liberation Front (EPLF) since late this summer. This week, TIME has learned, government forces—including thousands of militiamen redeployed from the Ogaden desert war against Somali insurgents—will try to regain control of a vital highway linking the Red Sea port of Massawa with the provincial capital of Asmara.

It has been three frustrating months for Ethiopia's military rulers and their Communist allies. A late summer push by the Ethiopians drove the rebels out of much of southern and western Eritrea. But the drive was blunted when the government troops began to battle a well-equipped 25,000-man EPLF army, which occupies the territory's central and northern plateaus. In one futile assault on Eritrean positions near Keren, a human wave of more than 6,000 Ethiopian militiamen were cut down by rebels firing captured Communist artillery. Ethiopian Strongman Mengistu Haile Mariam, who had vowed to crush the rebels by Sept. 12, the fourth anniversary of the overthrow of the late Emperor Haile Selassie, ordered the execution of 700 officers and men he held responsible for the fiasco.

Cuban President Fidel Castro, too, has been badly embarrassed by the increasingly direct role his forces have been playing in the battle against the independence fighters that Cuba helped to train. Not so long ago, Castro proclaimed that the Eritrean struggle was a "legitimate national liberation war" that Cuba would support to the bitter end.



World

SOUTH AFRICA

A Watergate for Pretoria

Scandals shake the National Party

During its 30 years in power, South Africa's ruling National Party has been remarkably free of scandal. Not once, for example, has a high-ranking official been charged with misusing public funds. Last week that image of rectitude was shattered by the release of a 400-page report on an investigation being conducted by one of the country's most respected jurists. Confirming earlier newspaper accounts of widespread abuses in the Department of Information, an agency formerly controlled by one of South Africa's most powerful politicians, Supreme Court Justice Anton Mostert detailed alleged "improper application of taxpayers' money running into millions." Johannesburg's antigovernment *Rand Daily Mail* has dubbed the affair South Africa's "Wa-

tergate." Whether or not that proves to be the case, the judge's disclosures have shaken the six-week-old regime of Prime Minister Pieter W. Botha and could wreck the career of Minister of Plural Relations Cornelius P. Mulder, 53, who had been considered a leading candidate to become Prime Minister some day.

The alleged misdeeds center on a secret multimillion-dollar slush fund operated by the Department of Information when Mulder was Minister of the Interior and Information under former Prime Minister John Vorster. According to Mostert's report, some of the funds, intended for a covert campaign to secure favorable coverage for South African policies in the foreign and domestic press, were diverted to dubious business ventures and the personal pleasures of departmental officials. The main schemers were identified as the brothers Eschel and Deneys Rhodie, who until a few months ago

served as Secretary and Deputy Secretary, respectively, of the department. Witnesses told Mostert that the Rhodies had illegally used government funds to subsidize an unprofitable South African newspaper, finance a \$6 million movie that flopped at the box office, and traffic in diamonds. In addition, the *Daily Mail* has charged that the brothers conspired with a right-wing American publisher to try to buy the Washington *Star*. All of these activities, the press hinted, were known of and approved by Mulder—and perhaps other ministers as well.

When the story broke this summer, Vorster transferred control of the department to Foreign Minister Roelof F. ("Pik") Botha. He retired the Rhodie brothers and ordered the former head of

tions. In exchange, Luyt testified, he pledged as publisher of the *Citizen* to support editorially the government's apartheid policies. But, Luyt said, he soon tired of Eschel Rhodie's incessant efforts to meddle in its affairs. In February, the department helped arrange a sale of Luyt's interest in the *Citizen* to businessmen including Dallas Lawyer David A. Witts and Beurt SerVaas, chairman of the Curtis Publishing Co. Luyt has yet to repay the loan or \$3.3 million in interest.

Mostert's report suggests that the Rhodie brothers lived very well at government expense. In one instance, the report says, they allocated \$9,200 for a private box at Pretoria's rugby stadium, ostensibly for use as a secret meeting place; only the brothers and their families ever attended a game. Deneys Rhodie, who racked up more than 200,000 miles in government-paid travel in one six-month period, was described as billing the department for a New York-to-Los Angeles flight for the purpose of "evaluating the services of a typist."

But Mostert's report does not touch on the alleged attempt to purchase the Washington *Star*. As described by the *Daily Mail*, the department in 1976 "loaned" \$11.5 million from the slush fund to Michigan Publisher John P. McGoff, who is co-owner with Eschel Rhodie and Mulder of a large farm in the Transvaal, to finance a \$26.3 million offer for the paper. Joe Allbritton, the Texan who owned the newspaper from 1974 until he sold it to Time Inc. this year, denies that McGoff ever approached him. McGoff, whose Panax Corp. publishing company acknowledges bidding for the *Star* before Allbritton bought it, has denounced the *Daily Mail* story about a South African loan as "utter nonsense."

With an overwhelming majority in South Africa's parliament, the National Party is secure in office. But some of its leaders could suffer permanent damage to their political careers and reputations. Largely because he flatly denied to parliament that government funds were involved in funding the *Citizen*, one leading Afrikaans newspaper has suggested that Mulder should "review his position"—a euphemism for resign. Eschel Rhodie has hinted that an unnamed three-man Cabinet committee supervised the operations of his department. Prime Minister Botha has appointed yet another investigating committee, which is supposed to report to parliament in three weeks. Even John Vorster's name has been mentioned in the scandal; Luyt told Mostert that he agreed to start the *Citizen* only because he was led to believe that Vorster had personally selected him for the job. At one stage in the press inquiry into the scandal, a crusading editor received a message that allegedly came from the former Prime Minister himself. "Tell him to lay off," the word was passed, "or he'll have to deal with me."



Embattled Minister Cornelius P. Mulder and his former aide Eschel Rhodie

An image of rectitude is marred by evidence collected by a well-respected judge.

tergate." Whether or not that proves to be the case, the judge's disclosures have shaken the six-week-old regime of Prime Minister Pieter W. Botha and could wreck the career of Minister of Plural Relations Cornelius P. Mulder, 53, who had been considered a leading candidate to become Prime Minister some day.

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the Bureau of State Security to undertake a probe of the charges. Mostert was named as a one-man commission to look into possible violations of currency controls. After a heated meeting at which Prime Minister Botha urged Mostert to delay releasing the report, the judge declared, "I have endeavored to discover what particular interest of the state is furthered by suppression, albeit temporary, rather than disclosure of the evidence. I find none."

His report, consisting of depositions from many of the principals involved in the scandal, focuses on a plan to undermine the *Daily Mail* and other opposition newspapers by secretly subsidizing a new, pro-government tabloid, the Johannesburg *Citizen*. In 1976, says the report, the department provided a fertilizer company directed by Businessman Louis Luyt, 46, with \$15 million in government cash—a direct violation of treasury regula-

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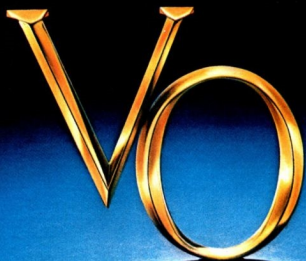


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World

BRITAIN

Sunny Jim and the Political Winds

They blow, ever so slightly, in his favor as Parliament reconvenes

Swathed in a velvet train, with the imperial crown carefully balanced on her coiffed brown hair, Queen Elizabeth II opened the final session of Parliament before her subjects vote again in a general election. In one of Britain's better pageants, the Queen spoke from a golden throne in the gilded House of Lords, surrounded by such royal functionaries as her Gold Stick in Waiting and the Rouge Dragon Pursuivant. So many ermined peers and bejeweled peeresses were present that a journalistic wag observed there was a "tiara boom today."

The central characters of this year's parliamentary drama, however, were huddled in the rear of the chamber among other members of the House of Commons, who had been summoned to the Queen's presence by another treasured anachronism known as Black Rod. Prime Minister James Callaghan and Conservative Leader Margaret Thatcher listened idly to an arid speech that the government, by custom, had prepared for the Queen to read.

The address—a laundry list of legislative goals—contained little in the way of major news or promise for the new Parliament. The most important item in the Queen's speech was an assurance to Scottish and Welsh nationalists that there would be referendums on March 1 on local assemblies for these areas—the first step toward devolution, or limited home rule. Opposed by Thatcher's Tories, who have 281 seats, and the Liberal Party (13), Callaghan's Labor minority of 312 can now stay in power only with the help of smaller parties. Callaghan needs the votes, or at least the abstentions, of the nationalists this week in the vote of confidence that traditionally follows the Queen's speech after a debate on its content. By winning it, Callaghan should be able to stay in office until he decides to call elections, possibly in early spring or, at the latest, next October, when his government's statutory five-year mandate expires. As always in British elections, the timing will depend on the political winds. At the moment they are blowing Callaghan's way, in part because of the diverse stands that he and Thatcher have taken over incomes policies and their effect on Britain's inflation, now running at an annual rate of 8%.

The Prime Minister wants to carry on with his policy of voluntary wage restraints, under which unions would limit pay-hike demands to no more than 5%. That stand is fiercely opposed by the 11.5 million-member Trades Union Congress, and was violently attacked by Callaghan's own Labor Party Conference at its annual meeting in Blackpool last month.

Thatcher is leading a Tory assault on what she has described as "rigid pay policies" and calls instead for "responsible" collective bargaining.

The British public, obviously concerned about which major party can best cope with union demands, appears to favor Callaghan's position. In the past month Labor has climbed in the political polls from a seven-point deficit to a five-point advantage over the Tories. Callaghan is also 17 points ahead of Thatcher in personal popularity, a gain of six points in a single month. In a by-election last month in the marginal Scottish border district of Berwick and East Lothian, Labor managed to retain a seat that the Conservatives had strong hopes of winning.

Callaghan is also being helped by an embarrassing internal feud within the Conservative Party. Former Prime Minister Edward Heath, whom Thatcher deposed as party leader three years ago, broke with party policy by openly sup-

porting Callaghan's wage stand, even as he campaigned for the Tory candidate in the Scottish by-election. Conservative M.P. George Gardiner, a Thatcher brain-truster, last week complained that "receiving support from Ted Heath is like being measured by an undertaker." A Labor Party spokesman had a quick retort: "Perhaps the result means that rank-and-file Conservatives prefer their former leader to their present one."

Although Callaghan has the momentum, the winds of political fortune can still change. While the latest polls show substantial Labor gains, they also indicate strong Tory support, particularly in shifting Midlands districts where British elections can be won and lost. And Callaghan has problems ahead in persuading intransigent workers to accept the wisdom of his incomes policy. Last week 57,000 assembly-line workers at Ford Motor Co. Ltd., in the seventh week of a strike for higher pay, rejected a company offer of a 16.5% increase. Meanwhile, workers in the public sector, from teachers to trash men, are also pushing for raises of up to 40%. If Callaghan hangs tough and a winter of strikes follows, the result could be stormy for Sunny Jim. ■



Queen Elizabeth and Prince Philip, amid pageantry, at opening of Parliament

A laundry list of legislation and a tiara boom today.

World

DOMINICA

Poor Little Paradise

A banana republic's birthday

There were gifts aplenty last week at a birthday party for the world's newest nation, which happens to be a real banana republic. The tiny Commonwealth of Dominica (pop. 78,000), a 290-sq.-mi. speck in the Lesser Antilles, earns 70% of its \$12 million export revenues from the serviceable fruit, and it has replaced Queen Elizabeth II as head of state with a ceremonial President. Nonetheless, the Queen's younger sister, a newly thinned-down Princess Margaret, presided over the independence ceremonies that made Dominica the Western Hemisphere's 30th sovereign state. As the Union Jack was hauled down in Windsor Cricket Park, it was replaced by the country's sassy new multicolored flag emblazoned with a green Sisserou parrot, the national bird.

The British gave an eminently practical birthday present: money. Westminster, which has ruled the island since 1805, signed over \$20 million, half of that a no-strings grant, the other half an interest-free loan. Next in line were the French, who vowed to build a sports stadium, a jetport and a better road connecting the capital of Roseau (pop. 20,000) with the island's sole landing field, 36 jolting miles away. The U.S. anted up 250 reference volumes for the national library.

Dominica (pronounced Dom-in-eka) will need it all, and probably more. Apart from bananas, limes and, that Caribbean rarity, fresh water from its more than 300 rivers, the island does not have a lot going for it. Even the banana trade has mottled, due to a worldwide glut. Unemployment hovers around 20% and is particularly devastating among youth.

The country's Prime Minister, Patrick Roland John, 40, believes the answer to Dominica's plight is in a local brand of socialism. John talks of "the populace of Dominica being able to manage their resources" and of agribusiness joint ventures

involving foreign capital, local private investors and government money.

A key reason for Dominica's push for independence was dissatisfaction with its status as a British "Associated State," which meant that it was something more than a colony but something less than a sovereign nation. As an Associated State, Dominica could not apply for international economic aid or help from any nation other than Britain. Now the island seems intent on attaching itself to every organization with an aid program. Says Dominica's Foreign Minister, Leo Austin, 50: "We will join the Organization of American States, the United Nations, World Bank, all of them."

Dominica is only the first of a series of independent ministaates about to pop up in the Caribbean. Within the next twelve months or so it will be followed by St. Lucia (pop. 120,000), St. Vincent (pop. 100,000), Antigua (pop. 75,000) and St. Kitts-Nevis (pop. 50,000). All the islands have been British Associated States, and all are leaving London's paternal embrace hungry for aid. They share one other trait: a capacity to cause problems for the 26-member OAS, which they all plan to join. Each will receive a vote equal to that of the U.S., Mexico and Brazil. Joining such other former British colonies as Jamaica and the Republic of Trinidad and Tobago, the poor little paradises of the Caribbean could form a bloc with as many votes as all of South America.

ISRAEL

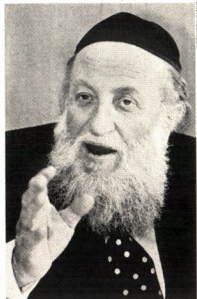
Not Kosher

The Hilton's problems shouldn't happen to a dog

Jewish religious orthodoxy and the pragmatic business of survival have always had a special kind of relationship in Israel, similar to that, say, between Washington and Moscow. But that détente has now suffered a severe rupture, and the cause is Jerusalem's four-year-old 420-room Hilton Hotel. The city's chief rabbi, Bezalel Zolty, 57, has yanked the five-star Hilton's certificate of kashruth, or kosher status. Reason: in his view, the hotel was violating the law of the Sabbath. As the agonized Hilton management knows all too well, the lifting of kosher status is a devastating blow in a country that annually receives half a million Jewish tourists, many of them devoutly Orthodox.

No Israeli religious leader had ever before enforced Halakha (Jewish religious law) in Zolty's fashion. Traditionally, a hotel qualified for kosher status if it adhered to Jewish dietary laws. Zolty insisted that hotels should strictly observe Jewish Sabbath law as well. Said he: "If there is no Sabbath observance, there is no kashruth. One can't have faith in one without the other."

Zolty, who was elected last November



Chief Rabbi Bezalel Zolty of Jerusalem

A five-star seal of disapproval.

as Jerusalem's first chief rabbi in recent times, is demanding a hefty slice of faith from the hoteliers. The key aspect of Sabbath observance, so far as he is concerned, is the proscription on the holy day of "creative work." Among other things, creative work can include writing (even signing a hotel bill), turning on a light, and using a telephone. Basing his interpretation of the halakah on *Leviticus 19:14* ("Thou shalt not curse the deaf nor put a stumbling block before the blind"), Zolty declared that "a Jew shouldn't sleep a sweet sleep in his hotel room while he is causing Jewish clerks to work on the Sabbath and make up his bill for him."

Zolty packaged his interpretation of the law in 20 demands that he presented last August to the 18 local hotels that seek kashruth certificates. Among the demands: use only automated equipment and non-Jewish employees to heat food and wash dishes on Saturdays; abolish Saturday check-out except for emergencies; and program hotel elevators on the Sabbath so that Jewish users will not have to push floor buttons. Zolty also requested the Hilton to eliminate Christmas and New Year's parties and decorations. "In a Jewish hotel, one doesn't hold Christmas parties or any parties for other faiths," he said. "How would it be if Jews went to the Vatican to hold their celebrations? What would Christians think of us?"

Zolty's definition of the Hilton as Jewish "came as a surprise to the hotel's manager, Dan Barkai. Indeed, half of the 180,000 guests that stay at the Hilton each

"The founder of the Hilton Hotel chain, Conrad Hilton, 90, is Roman Catholic; the Jerusalem Hilton is owned by four groups of American Jewish investors and managed by Hilton International, a TWA subsidiary.



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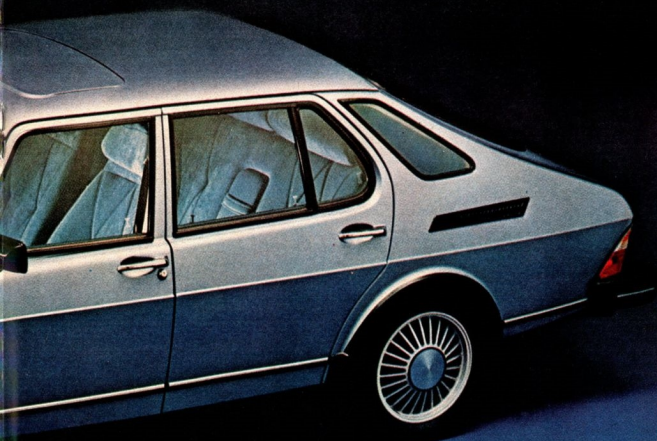
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World

year are Christian, and, says Barkai tersely, "we accommodate people from all faiths." Noting that 70% of the hotel's staff of 550 people is Jewish and that many Jews work on Saturdays, Barkai refused to accept Zolty's demands, warning that "hundreds of Jews will be forced to leave hotel service." Although five other hotel managers caved in, the others are backing Barkai. So is Shlomo Goren, the Ashkenazi chief rabbi of Israel, but his sup-

port has not changed Rabbi Zolty's view.

So far, both sides in the kosher crisis are sticking to their guns. Hilton managers insist that the hotel is still kosher by all reasonable standards. Short of getting Zolty ousted from office, an unlikely possibility, the hoteliers must pin their hopes on action early next year by the Israeli Knesset. (Knesset members, as it happens, have a special parliamentary dining room at the Hilton. Its kosher status is

covered by a separate certificate of kashruth, and escaped unscathed from the squabble.) The parliament is scheduled to consider a bill taking away from local rabbis the power of granting hotel kashruth certificates and giving it to an authority under the auspices of the government's more lenient Ministry of Religious Affairs. The bill is considered likely to pass. Until then, the Hilton will have to bear the crusty rabbi's seal of disapproval. ■

International Notes

The Tortilla Curtain

When officials of the U.S. Immigration and Naturalization Service decided to build two new stretches of wall, totaling 12.5 miles, along the 1,950-mile Mexican border, they thought they were merely mending fences, not wrecking U.S.-Mexican relations. After all, the reason an estimated 1 million Mexicans enter the U.S. illegally each year is that most existing fences have been knocked down, shot full of holes or simply hauled away. Indeed, the new barriers might have gone up unnoticed had not the builders boasted that "anyone barefoot" seeking to climb over the razor-sharp wall would "leave his toe permanently embedded in it."

That grisly prospect unleashed a torrent of anti-American rhetoric in Mexico. Said Congressman Salvador Reyes Nevares: "Our government cannot remain impassive in the face of this inhuman measure, which tramples on our dignity." President José López Portillo called the fence-building "a discourteous, inconsiderate act." Editorial Writer Yolanda Sierra in Mexico City's daily *Ovaciones* dubbed the fence "a tortilla curtain."

The Immigration and Naturalization Service has sent engineers back to the drawing board to eliminate the wall's "inhuman features." They did not, however, accept the satirical advice of Editorialist Sierra: "The fence should be constructed so it will not scrape or cut and it should be built by Mexican labor. After all, Mexicans know how to weave very well. Remember our baskets."

Relics of Rhodes

As the brutal civil war drags on in Rhodesia, lavish farms and country homes can be snapped up for a fraction of their real value. But while the price of these relics of colonial times has plummeted, Rhodesia has experienced a modest boom in memorabilia, as whites wax nostalgic over their country's past. Coins and stamps commemorating Rhodesia's 1965 unilateral declaration of independence from Britain have skyrocketed in

value. A set of three coins minted on the first anniversary of independence, originally worth \$17, is now selling for \$1,400 in Rhodesia. A one-shilling, three-pence stamp bearing the portrait of Winston Churchill fetches \$230 in Salisbury because it is overprinted with the date of Rhodesia's independence and a price increase to five shillings.

Artworks depicting scenes of Rhodesian history, both glorious and inglorious, are also experiencing a boom. In Salisbury a package of eight reproductions of sketches showing the discovery of Victoria Falls by David Livingstone currently sells for \$32. "They'll fetch thousands in years to come," predicted one optimistic Rhodesian dealer. At an exhibition in



Salisbury last July, Artist Ivan Day-Jones sold out all his paintings of scenes of the brutal racial warfare that has savaged Rhodesia in the past decade. The boom is so great that a number of rare items have been stolen from Salisbury's Queen Victoria Memorial Library. One current bestseller: *The Valiant Years*, a collection of newspaper stories and headlines from 1890 to the present.

The brisk traffic in mementos is even beginning to spread to other countries, as white Rhodesians emigrate abroad at the rate of 1,000 a month. Currently one of the hottest items on the memorabilia market harks back to Cecil Rhodes' colonization in 1889 of the country that bears his name. This is the green-and-white Rhodesian flag, which bears the Rhodes family arms (lion passant between two thistles). A 6-ft. by 3-ft. Rhodesian flag that retails for \$18 in Salisbury now costs up to \$350 in the U.S.

Death by Emancipation

The much mistreated and oft-massacred Indians of Brazil are an endangered human species. Almost their only guarantee of survival is the lands reserved for them by law, largely in the Amazon region, where many of these primitive tribesmen pursue a Stone Age way of life. Under the guise of "emancipating" the Indians, the Brazilian government has begun to remove their historic tribal lands from federal protection; last week a decree was sent to President Ernesto Geisel that ends official protection and gives the Indians title to their land. The rationale was that it would put the Indians on the same footing as other Brazilians. When the Indians are no longer wards of the state, insists Interior Minister Rangel Reis, they can become "politicians, generals and even Presidents of the Republic."

In fact, concerned anthropologists and churchmen in Brazil believe that emancipation will mean bondage and even death for the Indians. The real motive behind the government's move, they charge, is to gradually open up the Indians' land to private developers. Said Anthropologist Darcy Ribeiro: "The decree will mean the extinction of the Indians as tribal peoples, as their land is gobbled up by greedy farmers, ranchers, mining companies and speculators who have long been awaiting this moment."

Roman Catholic prelates have been outspokenly opposed to the emancipation decree, which has not yet been signed by Geisel. They point out that after 1911, when Brazil's first Indian protection agency was established, at least 1 million Indians died, many of them massacred with that agency's connivance. Whites who coveted Indian lands dynamited villages, gave the Indians food laced with arsenic and inoculated entire tribes with smallpox virus. If the Indians lose their land, "there will be no Indians left in 30 years," said Bishop Tomas Balduino, the head of the Roman Catholic Church's mission to the Indians. "The emancipation of Brazil's Indians is a means of committing genocide, this time without dirtying anyone's hands with guns or poison."

Press

Cheesecakes and Ale in Britain

New competition in Fleet Street's nudespaper war

Perhaps the last thing that British newspaper readers needed was still another steamy tabloid featuring scandal, sports, crime and bare-breasted pinups. The format, rooted in the 19th century penny press and perfected in the frothy wake of the swinging '60s, now dominates British newsstands. The leading exponents of the "tits and bums" genre, as it is known on Fleet Street, are Publisher Rupert Murdoch's *Sun* (circ. 4 million) and the *Daily Mirror* (circ. 3.9 million). Each is fondled by twice as many customers a day as all four of Britain's major quality dailies combined. Total circulation for the *Times*, *Daily Telegraph*, *Financial Times* and *Guardian* is 2.1 million.

Yet last week Britain got another T. and B. tabloid, a near clone of the *Sun* and *Mirror*. Express Newspapers Ltd., publishers of the once middlebrow and increasingly titillating *Daily Express* (circ. 2.5 million), launched the 32-page *Daily Star* (initial circ., 1.25 million). Selling for 6p (roughly 12¢), slightly less than the *Sun* and the *Mirror*, the *Star* is being printed on underused Express presses in Manchester and distributed only in the North and the Midlands for the moment. Penetration of the rest of England is planned for the spring. Says *Star* Editor in Chief Derek Jameson: "We've got to punch a hole in the *Sun* and *Mirror* market."

The first issue of the *Star* punched pretty hard, meaning that it was difficult to distinguish it from its rivals. The main selling point is a daily "Starbird," a full-page bare-breasted crumpet on page 7 (the *Sun* usually carries its cuties on page 3, the *Mirror* on page 5 or 7). The *Star*'s



First issue of the latest tabloid

Only a moron in a hurry would be misled.

top stories: MODEL'S MYSTERY PLUNGE (she fell all of 12 ft. from the window of her lover's flat and broke her ankles), I WAS HIDING DRINK IN THE GROCERIES (a soccer player's drinking problem), BEAUTY AND THE PRIEST (a vicar who paints undraped females, one of whom is shown modeling for him).

The rival *Sun* hastened to keep, um, abreast. The day before the *Star* appeared, the *Sun* spread its usual page 3 lovely across a centerfold and promised more to come. Next day the *Sun* put an unclad cupcake on page 1 (MY LOVE FOR SEX-CHANGE SAILOR, BY NUDE ROSIE) and, on

the accustomed page 3, displayed not one but two topless twinkies.

The *Mirror* was the very model of restraint, running only its usual page 7 pinup. Chairman Percy Roberts had been quoted as promising, "The *Daily Mirror* will not go down into the gutter to join the war between the *Star* and the *Sun*." Some Britons thought the *Mirror* had been somewhere in that vicinity all along, however, and the *Star*'s London editor, Peter McKay, snorted, "Humbbug!"

Justly irate feminists in Manchester picketed the *Star*'s launch-night reception breakfast and altered some of the paper's promotional posters to read A STAR IS PORN. Their protest did not prevent a sell-out. Earlier, the *Star* had hurdled another obstacle: a demand by the Communist *Morning Star* for a court order barring the new paper from sowing confusion among the laboring classes by appropriating its stellar name. The judge lost no time denying the motion. Said he, quite accurately: "Only a moron in a hurry would be misled."

Ready to Roll

New York's dailies due back

Around the Hot Stove League, there are those who maintain that the Yankees would not be baseball's champions if New York City's newspapers had been publishing since last August. The town's hyperthyroid sportswriters, so the theory goes, would have stirred up another feud between Thurman Munson and Reggie Jackson, or some other duo of dueling Yanks, that might have cost the team its title. The Giants, Jets, Knicks, Nets, Islanders and Rangers will not get the chance to test that hypothesis. If all goes as expected, the city's strike-silenced dailies will all be back in print this week for the first time in three months.

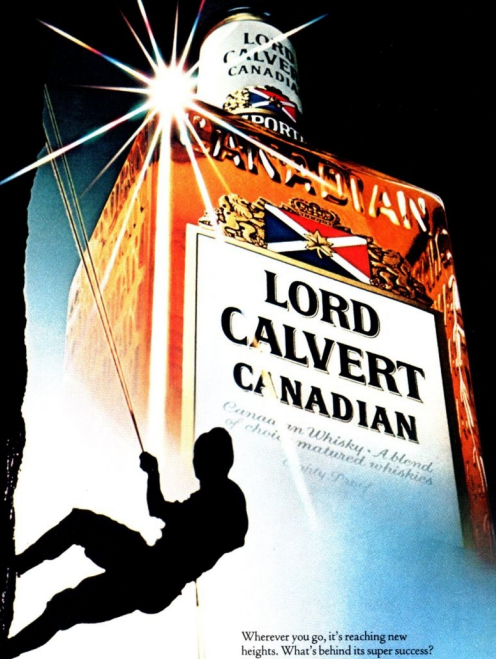
The Pressmen's Union, which walked off the job Aug. 9 after the publishers posted new work rules, agreed to accept a six-year contract that will give members an 18% raise over the first three years (amounting to \$68 per worker per week), guarantee jobs for all 1,508 regular members and reduce manning levels through attrition. Ten other unions idled by the strike were expected to return to work as well. Indeed, a major breakthrough in the talks came last week when heads of the other unions gathered to hear a report on the status of negotiations from Labor Lawyer Theodore Kheel, who used his role as a consultant to the unions to become unofficial mediator in the lengthy dispute. At that meeting, the union leaders announced they were prepared to go back to work without the pressmen if their leader, William J. Kennedy, did not become more agreeable at the bargaining table. As Kheel told TIME, "The other



Protesters picketing the *Star*'s launch-night reception at a Manchester hotel

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Wolfschmidt Genuine Vodka

Press

unions acted as an informal arbitrator."

The pressmen accepted lower manning levels (eleven men per press instead of twelve) and agreed to submit the issue of reduced support crews to arbitration. Those cuts are expected to save the *News* and *Times* each about \$4 million a year, the *Post* about \$2 million. The *Post* had resumed publication last month after Publisher Rupert Murdoch agreed to accept any terms eventually worked out between the unions and the other rival papers, a copycat clause that earned Murdoch the nickname "Mr. Me Too" among negotiators. "Both sides came out smelling like a rose," according to Kheel. Yet the strike cost the papers as much as \$150 million in advertising and circulation revenues.*

What is more, the newspapers and their home town may never be the same. Most local businesses weathered the strike nicely by shifting their advertising dollars into weekly newspapers, spot television and radio, magazines and billboards; some of those dollars may never return to the dailies. Thousands of New Yorkers began reading the Rev. Sun Myung Moon's slickly professional *News World* or the Gannett Co.'s strike-born

*The *Times* meanwhile settled a sex discrimination suit by agreeing last month to pay female employees nearly \$350,000 and promising to hire and promote substantial numbers of women.



Pressman Kennedy and Mediator Kheel

"Time to be lunatics again."

suburban daily *Today* and may stay with them. Others may do without newspapers altogether, as happened after the 114-day strike of 1962-63, when some 400,000 New Yorkers lost the newspaper habit.

This time the *News* is particularly vulnerable. Publisher W.H. ("Tex") James doubts that the strike has cost the paper 5% of its circulation (1.9 million) and

hopes any prodigals will eventually return. But the *News* was losing circulation before the strike, and it now faces competition from Murdoch's newly announced 10¢ *Daily Sun*, which is expected to appear within two weeks. Though not nearly as racy as Murdoch's London *Sun*, the new morning tabloid will be aimed squarely at *News* readers.

The returning papers plan some modest changes. The Sunday *News* will carry an expanded sports section, a new TV magazine and a women's supplement called *You*, as well as a slicked-up Wednesday food section, *Good Living*. The *Times* will introduce a Tuesday insert on science, education and medicine news.

A number of idled journalists have drifted elsewhere. *News* Albany Bureau Chief Michael Patterson has become Governor Hugh Carey's campaign press secretary, for instance, while *Times* Correspondent James Wooten has gone to *Esquire*. And some reporters who ran the four interim strike papers say they will miss the freedom of being their own boss. "It was a case where the lunatics had been allowed to take over the asylum," sighs *News* Political Writer Frank Lombardi, who helped produce the *City News*, which folded last week. "Now it's time to be lunatics again." ■

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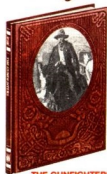
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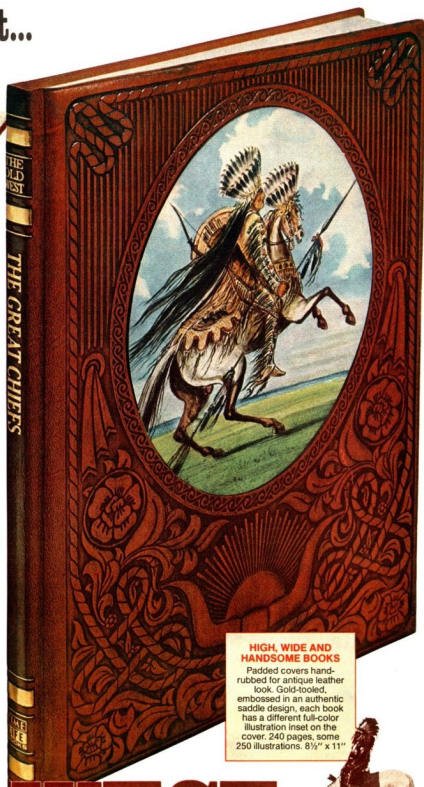
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Education

Trojan Horse at Southern Cal?

Proposed Arab studies center stirs up a campus row

To Los Angeles Businessman J. Robert Fluor, it seemed a natural way to benefit his two favorite institutions: the University of Southern California, which he serves as chairman of the board of trustees, and the Fluor Corp., an international construction firm he heads that last year did \$272 million worth of business in Saudi Arabia alone. Fluor's brainchild was a \$22 million research institute at U.S.C. to be called the Middle East Center and funded by American corporations, including his own, with a stake in the Middle East. After all, some 20% of U.S.C.'s enrollment is foreign (one of the nation's highest ratios), and a passel of Saudi princes has passed through there. When plans for the center were announced last month to U.S.C.'s trustees, however, Jewish leaders and the Los Angeles Times attacked it as a Trojan horse for Arab propaganda, and the center came under heavy fire from members of U.S.C.'s faculty senate.

There had already been uneasiness in parts of academe that some Middle Eastern nations, by freely spending their petrodollars to support programs at universities ranging from Georgetown to Stanford, were trying to gain undue influence in the U.S. Nonetheless, some of the resistance to the U.S.C. center seemed more emotional than anything else. Jewish Businessman Allen Ziegler, a U.S.C. alumnus, announced that he had sent back his lifetime membership card in the Alumni Association in protest. Said Ziegler: "I wonder where they're going to put the mosque."

But there were other concerns as well, having less to do with geopolitics than with campus politics. As announced by U.S.C. President John Hubbard, responsibility for the financial support of the center was to be vested in a three-man committee comprising a Los Angeles-area businessman, a U.S.C. dean and U.S.C. Professor Willard Beling, a former employee of Aramco (Arabian American Oil Co.) and holder of the Saudi-endowed King Faisal Chair of Islamic and Arab Studies. Beling would also become the center's director, and many of the faculty were fretting over his not being subject to the university's normal committee checks and balances in making appointments and running the center. Quipped one professor: "Why not just set up a feudal society on the campus and establish fiefdoms instead of departments?"

The planned corporate support, and Fluor's Riyadh connections, caused some to wonder whether the center, under so loose a rein, would truly qualify as an academic enterprise. Added a faculty critic:



"Are we following an industrial model or an academic model?" Such doubts were aggravated by the fact that Hubbard presented the planned center to the faculty senate as a *fait accompli*, leaving no room for debate. Then, too, there was Fluor's ambiguous role. Said he: "People can say I have selfish interests, and obviously I have some. But I believe any time information is available, better decisions can be made."

Last week Hubbard defused much of the criticism by issuing a "binding" memorandum stating that control of the center's staff and budget would remain within the university's normal administrative channels. Still, the passions stirred by the incident may not cool so quickly. Los Angeles Assemblyman Mel Levine,



Board Chairman J. Robert Fluor

Not so much geopolitics as campus politics.

for example, plans to seek a new state law requiring that "if foreign money is received by a California university, the sources [and] the content of all contracts agreed to must be publicly disclosed." Such a law would put foreign contributors to U.S. universities in much the same position as lobbyists for foreign countries, who are required to register with the U.S. Justice Department.

Snob's Guide

A new way to rate colleges

Did you know that the University of Cincinnati has more social prestige than Sarah Lawrence, Swarthmore and Bryn Mawr? Or that the quality of the faculty at Kutztown State College in Kutztown, Pa., is higher than at Smith, Oberlin and Yale? These are just a few of the amazing aperçus served up in a new \$7.95 guide to U.S. colleges published last month by the New American Library and prepared by veteran Guide Author Gene R. Hawes. Billed as "A New Kind of College Guide that Reports on What You Want to Know Most—And First—About Colleges," the 416-page paperback modestly describes itself as a "revolutionary" advance in the college-guide biz.

Take the delicate question of social prestige—a "perfectly understandable" concern, Hawes assures, since "associating with persons of high social status is of course widely taken to be good in itself." Of course. To determine how high a school ranks in social prestige, Hawes has simply counted the alma maters of those listed in the *Social Register*. Thus, with 94 listings, Cincinnati outranks Sarah Lawrence, which has 40. He cautions that his prestige ratings may be unfair to women's colleges, since the *Social Register* omits data on college for many matrons. The most prestigious ten, according to Hawes, are fairly predictable: Harvard (4,039 listings); Yale (3,755); Princeton (3,344); Pennsylvania (1,373); Virginia (755); Williams (748); the Berkeley campus of the University of California (560); Stanford (521); Dartmouth (489); Cornell (470). Hawes' own alma mater, Columbia, ranks eleventh (with 452).

Then there is the question of faculty quality. Hawes offers a ranking of average or median academic salaries, "one very basic indicator of the college's academic quality." On this novel scale, Kutztown's median of \$21,600 lords it over Oberlin's \$16,700. Smith's \$17,500 and Yale's \$20,000. Harvard is second in faculty "quality," since it pays a median salary of \$27,200, while the California Institute of Technology is third, with \$25,700. No. 1 is the University of Alaska, which pays top intellectual dollar, an average of \$27,800, to lure academics to far-off Fairbanks.

EXXON ILLUSTRATED

The "Guyed Tower"—a new way to get oil from deeper waters.

Exxon has found a new way to get oil from waters too deep for conventional drilling and production platforms. It's called the "guyed tower" and it may be used to recover the oil from Exxon's recent significant discovery in the Gulf of Mexico—an oil field lying under 1,200 feet of water which may hold more than 50 million barrels of petroleum.



The slim steel tower is held in place by guy lines which are weighted and anchored to the ocean floor. It is topped by a conventional platform deck.

Water depth, tower size, and weather conditions dictate the number and size of the guy lines. A typical Exxon guyed tower would have 16 to 24.

Huge weights lift off the ocean floor when storm waves are very large. This Exxon-designed feature protects the guy lines from severe strain during storms.



The tower base is forced into the sea floor and acts as a pivot to allow the tower to move with wind and wave action.

Energy for a strong America.





Morgan gets rolling on a total woman cookbook



With their pet camel, Fluffy, Jordan's King and Queen give Walters a royal welcome

People

"A total woman caters to her man's special quirks, whether it be in salads, sex or sports." Author **Marabel Morgan** has declared. Bubble baths, baby-doll costumes and the like having been prescribed in her bestselling books *The Total Woman* and *Total Joy*, Marabel has moved on to the kitchen to assemble a total woman's cookbook for publication next spring. Her recipes lean heavily on their titles (Heavenly Peach Pie, Boudoir Cheesecake), and her menus on their scenarios. Thus the You Tiger You meal features a hearty beef Stroganoff and a Reconcile Feast includes stuffed pork chops and coconut cream pie. "It's so important," she insists, "to furnish men happy moments at mealtime." Her husband Charlie takes a judicious view of total cookery. "All things being equal," he says, "I'd rather have a nice meal than not have one."

"I feel like a fish in water," says Actress-turned-Director **Jeanne Moreau** about her second stint behind the camera. The just finished film *Adolescence* deals with a 13-year-old Parisienne who goes to see her

grandmother in the country and falls in love with a visiting doctor. The grandmother: **Simone Signoret**. "I was seduced by Moreau's persistence. I like to be chosen," says Signoret. She also likes her director. "Moreau gives actors intelligent explanations, as few directors who have never been actors can," she explains. As for Moreau, she regards directing as a step up. Says she: "It's



Moreau directs Signoret

as if a woman used to darning goes into fine embroidery."

Germany's distinguished novelist **Günter Grass** a male chauvinist? One of the biggest, says a German women's group, who named him M.C. of the Month for his new book, an epic about a sexist talking fish. During a visit to Atlanta, where he read passages from *The Flounder*, Grass naturally had some talking to do. "The women's lib movement," he said, "has a lot of women who want to use power like men. We have enough stupid men who use power." Grass also had some criticisms about American writers, who, he claims, have not confronted the Viet Nam War. Says Grass: "If you don't face it, it means two things: you lost the war and you've also lost the ability to make clear why it happened."

It wasn't your basic fairy tale. The bearded Arab King started to propose over a dessert plate of apples, and the pretty American blonde responded: "Have another apple." That interlude, says Jordan's **Queen Nur**, 27, on ABC's

Nov. 29 *Barbara Walters Special*, led to her marriage to **King Hussein**, 42. After the ceremony, says the former **Lisa Halaby**, she settled down in the palace with her husband's kids and the family pet camel, Fluffy, and faced her tough new job: being Queen. The King has not been much help on protocol, she says. He tells her: "I don't know what to do any better than you. Just be yourself."

On the Record

Henry Kissinger, former Secretary of State, on the proceedings at Camp David: "You can't imagine how painful it was to me to see how much could be accomplished without me."

Anatoli Dobrynin, Soviet Ambassador to the U.S., on his 16-year stint in Washington: "I miss black bread and the cultural life."

Burt Reynolds, actor, on the absence of his mustache: "I do look less sexy. Now I look like I make love in the bedroom and not on the living room floor."



Sport

"I look about and cannot help grinning at the wonder of it: all of us up here hurtling through the sky together"

Catch a Falling Snowflake

For parachutists, fun is forming patterns in the sky

A dozing World War II fighter training base at Zephyrhills, Fla., came alive last week with a roar of airplane engines and a rainbow of shimmering parachutes. Some 600 sky divers convened on the field for eight days of serious contests in the air and not-so-serious games on the ground. Among the jumpers was TIME Correspondent Don Sider, who sent this report:

We are in a sort of reverie as the ancient DC-3 climbs to 12,500 ft. Like all jump planes, it has no seats. We sit on the floor in three long rows, 35 of us, facing to the rear, our legs supporting the backs of the jumpers in front of us. There is an occasional attempt at conversation over the engines' throb, but mostly we sit, eyes closed or staring vacantly, catching someone's glance, exchanging a vague smile or nod. The adrenaline is just beginning to flow now, just beginning to lift us. We look at the altimeters on our wrists or chest bands the way commuters look at their watches while waiting for a bus. As the needle climbs, the adrenaline begins to flow faster. We fuss with our equipment, checking again the closures on



Exploding into clear blue space
Aerial ballets of doughnuts and diamonds.

jump suits, the buckles on parachute harnesses, the positions of rip cords on the pilot chutes that will deploy canopies and break our headlong fall to earth.

Then the call: "Jump run." We line up at the door. The first two members of our 16-man team are hanging out of the plane, grabbing the fuselage so we can go together. I stand, back to the open door, the balls of my feet balanced on the frame, feeling the surge of wind across my back. "Ready?" yells the team captain. "Ready!" we reply. "Go!"

We explode out the door into the clear, cool sky. Caught in the rushing wind, I do two lazy back loops before settling into a stable, face-to-ground position. My job is easy: merely to float while seven others "fly" to me, the first gripping my wrists, the next two docking between us, breaking our grip and seizing their own. The others come into the circle, one by one, until we are a round, eight-man "star," falling at 120 m.p.h. We hold this for 5 sec., then the eight others fly in, attempting to dock with their hands gripping our ankles, turning the star into a "snowflake." I look about and cannot help grinning at the wonder of it: all of us up here hurtling through the sky together. Jonathan Livingston Seagull in his wildest imaginings could not have conceived of it. At 4,000 ft. we break apart, "dump"

our parachutes and float to the airport below.

The competition, known as the "turkey meet" because it used to occur around Thanksgiving, is perhaps the most popular of the 120 formal contests held every year in the U.S. The meet started in 1969 when parachuting was just beginning to take hold in this country, and it has managed to maintain a special appeal while jumping has become a highly organized international sport, one now dominated by Americans. Part of the lure of the meet is simply the Florida weather: only the hardest of the hard core like to jump in northern climes when winter is coming on and the temperature at 12,000 ft. may hover at 0°F. This year some 100 competitors from around the world joined more than 500 Americans to perform in the sunshine at Zephyrhills.

There are 35,000 American jumpers, including 17,000 addicts who belong to the U.S. Parachute Association. The number of jumpers has stayed about the same in the '70s. "When jumping started, there was a period of meteoric growth," says USPA Executive Director Bill Ottley. "Then all the kooky experimenters went into hang gliding and rock climbing."

Jumpers range in age from 16 to well into the 70s. George McCulloch of Syracuse is 73; he has 875 jumps and still does eight-man team work. Eleven percent of USPA members are women. They fly on many of the teams here at the turkey meet. At first, in the years after World War II, most sport jumpers were ex-paratroopers. Now they are your neighbors, your sons and daughters, you and I.

Jumping is status blind. The sport includes bankers and physicians, lawyers, grocery clerks, house painters, schoolteachers, coal miners and college students. Jock Covey, Henry Kissinger's ex-aide and now chief of the State Department's Israel desk, has 725 jumps. Wolfgang Halbig, 31, a University of Düsseldorf urologist, with 1,200 jumps, is one of 15 Germans here. "When you free-fall, it doesn't matter whether you clean the road or you're a doctor," he says. "You just fly."

Today the sport of competitive parachuting is based on forming intricate patterns of falling bodies in the sky. At Zephyrhills, teams of four, eight, ten, 16 and 20 jumpers go through from one to six formations in sequence during their 55 sec. of free fall from 12,500 ft. They perform a kind of aerial ballet, creating doughnuts and diamonds, wedges and stars. The jumpers carefully rehearse their maneuvers, choreographing the sequences on paper, then running through them over and over on the ground, in what are called "dirt dives."

For those on the ground, the jumpers are hard to see at first as they pour from the plane, but within three or four seconds you can spot them, the sun reflecting off their jumpsuits as they cluster. They become larger, better defined as



they fall closer—8,000 ft., 6,000, 4,000. Then the star bursts apart as each person turns by banking his body against the on-rushing wind and tracks away from the others.

Crack, crack, crack! The chutes snap open, blossoming in the sky like popcorn. They are a far cry from the old rounded canopies of World War II. Brightly colored, they are designed to allow the jumpers to maneuver on the way to earth. They float downward for two, maybe 2½ minutes. Then they are upon you, the suspended jumpers emitting war whoops because it went well, they have made a good dive, and maybe because they are high on their own adrenaline and they feel so good. "We're all adrenaline junkies," says a jumper.

What is the attraction? Most jumpers tell you they made the first leap to see what it was like or to prove something to themselves, to overcome that perfectly sensible fear of diving from an airplane into a void above the hard ground. If they stay with it, and perhaps only 10% do after the first scary jump or two, they develop what Kim Adams, 31, a graduate student in anthropology at Rutgers, calls "parachuting personalities, incredibly in-



Two jumpers happily leave the area while another starts to arrive, upper left

dependent, uninhibited." Sky diving becomes a way of life, infinitely challenging, indescribably energizing. "Don't ask people why they keep jumping," says Jeff Pouliot, 25, a Delaware laboratory technician with almost 400 jumps. "Everybody gets his own thing out of it."

Can it be the danger? Perhaps. Thirty-three jumpers died last year, and one was killed last week at Zephyrhills when he collided with another jumper and failed to open his chute. The casualty rate in parachuting is high compared with some other potentially dangerous sports, such as scuba diving and skiing. Jumpers kid each other all the time about auguring in. But no one really thinks that way. "It's a sport," says the USPA's Ottley. "It's not a brush with death."

To maintain it that way, the USPA and the Federal Aviation Administration keep a tight grip on equipment and procedures. Every experienced jumper packs his own parachute, and every chute is inspected and tagged. When three jumpers held off opening their chutes until they were well below 2,000 ft., the safe minimum opening altitude, Meet Director Jim Hooper grounded them for the rest of the meet. "Jumpers," he announced on the p.a. system, "I know you're here for a good time, but 'smoking it in' is not part of having a good time."

No need to cheat death in a plunge to earth. Just be the last person out the door at 10,000 ft., and while the first jumpers are 1,000 ft. or so below you, falling flat and stable at 120 m.p.h., you are diving to catch them at 150 or 160 m.p.h. You are John Wayne piloting your own body in a movie dogfight. Reach the star and dock yourself neatly and smoothly. Or do a series of back and front loops a mile in the sky on a trampoline with no bottom. That's thrill enough.

After dark, when the jumping is done at Zephyrhills, you hear the sound of a thousand pop tops being ripped from a thousand beer cans, and the sweet smell of pot fills the air around the campgrounds. In the morning, many of the jumpers look wiped out. But later, with a whiff of the chill, clear air at 12,500 ft., they come alive again.

Sky diving makes us all feel more alive. It does something else for us too. No matter what our ages, no matter what our jobs, no matter what our responsibilities in the real world, as long as we can jump out of airplanes, we know we will never have to grow up.





Counterclockwise: View of Celtic dig, bronze figurine, snake-shaped brooches, gold dagger, bronze lion from kettle, gold goblet

Science

Discovering a Celtic Tut

Ancient chieftain's tomb is dug up in Germany

They were often tall and fair-haired, with great drooping mustaches through which they guzzled goblets of wine. Known as much for their ballads as for their bellicosity, they held sway over Central Europe for 700 years, from about 800 B.C. until the 1st century B.C. Who were these roistering, rambunctious warrior-poets, these so-called Celts? Contemporary Greek and Roman writers disdained them as crude barbarians, and the early Celts did little to correct the slander. Preferring to pass on their exploits in heroic song and verse, they left no written history or literature and, alas, many questions about their culture. But more and more Celtic remains are being uncovered across Europe, the latest one a remarkable burial site discovered this summer near the West German city of Stuttgart. From these finds the extraordinary breadth and depth of Celtic civilization is slowly emerging.

A loose-knit, often warring group of tribes speaking different dialects of a common language, the Celts occupied a territory that spread from Ireland to the edges of the Black Sea. Although they were avid hunters, they set a standard of orderly farming and cattle raising that has left its impact on European agriculture to this day. They were also expert ironsmiths who fabricated plowshares, scythes and even a primitive reaper two

millenniums before Cyrus McCormick. They cut roads through the forests, sometimes paved them with timber and stone and rumbled over them in carriages that had wheels rimmed with iron. Above all, the Celts were superb storytellers who bequeathed a literary legacy ranging from the Arthurian legend to Tristram and Isolde.

In addition to the classical writings, much of what is known about the ancient Celts comes from the medieval Irish monks who lovingly transcribed the oral tradition of their ancestors. Firsthand evidence of Celtic accomplishments is more elusive. It is derived largely from ancient grave sites, many of which were ravaged by plunderers. Thus, a year ago, when farmers in the village of Hochdorf, 16 km (10 miles) northwest of Stuttgart, began plowing up curious stones that had clearly been assembled at the site in ancient times, archaeologists quickly converged on the scene. What they uncovered was the collapsed remnant of a burial mound 60 meters (197 ft.) wide, protected by massive bulwarks that hid the ornately appointed and undisturbed tomb of a Celtic chieftain who died around 550 B.C.

Inside the underground room, the diggers found a wheeled bronze couch adorned with geometric patterns and supported by eight figurines, each 30 cm (12 in.) high, in positions of adoration. On

the couch lay the skeleton of a powerful man, nearly 2 meters (about 6 ft.) tall and between 30 and 40 years of age, obviously a chief. Encircling his neck was a gold-covered wooden band that was probably a symbol of royalty. At his feet was a heavy bronze kettle more than a meter in diameter, decorated with three lions. Imported from Greece, the kettle had apparently been filled with wine for this Celtic Tut's burial. In it was a gold goblet.

More treasures lay near by: gold shoe fittings, snake-shaped brooches, a ceremonial gold dagger, a quiver and arrowheads of iron and bronze, and an iron drinking horn that the excavation leader, Jörg Biel of the Baden-Württemberg state antiquities service, believes may be the oldest found so far in this part of Europe. The chamber also contained a wooden four-wheeled chariot equipped with a leather bridle, bronze chains and a wood-and-bronze yoke. Though crushed in a cave-in, this Cadillac of Celtic vehicles was obviously intended to demonstrate the dead chief's status and to afford him a comfortable ride to the beyond.

While more digging is planned, the tomb's significance already seems indisputable. It sheds new light on the extent of trade and other contacts that early Celtic tribes in Germany had with the Mediterranean world and indicates that they were even more sophisticated than historians had suspected. Says Gerhard Jacobi of West Berlin's German Archaeological Institute: "Now we can measure the richness of this culture."

It's a good thing they're covered by more than ivy.

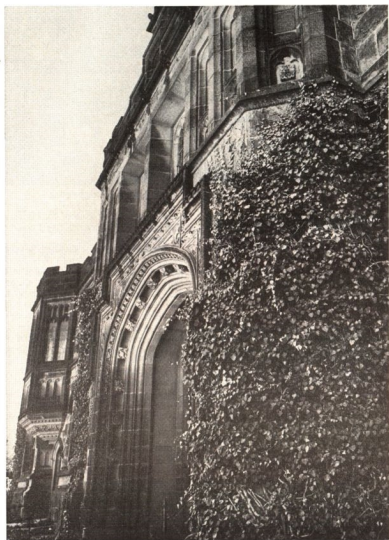
If the walls of ivy weren't covered by insurance, the halls of ivy might well be empty.

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Science



Duped Anthropologist Smith Woodward (standing, at far right) in telltale painting

Piltown Culprit

Has the hoaxer been found?

It was one of science's most audacious hoaxes. For four decades after the announcement in 1912 of its discovery near the English hamlet of Piltown, the curious fossil with the humanlike cranium and the apelike jaw was believed by many anthropologists to be the long-sought "missing link" between man and ape. But in 1953, after application of new analytic techniques to the famous skull, the ruse was finally revealed: the Piltown man, as the fossil was dubbed, was a fraud. It consisted of nothing more than fragments of modern human skulls mingled with portions of a contemporary ape jaw with teeth doctored to give them the appearance of antiquity. As the years passed, scientists abandoned hopes of ever identifying the prankster.

But last week, in a posthumous statement published in the journal *Nature*, the late British Geologist James Archibald Douglas offered his solution to the Piltown hoax. The culprit, said Douglas in a tape recording made only a few months before his death last February at age 93, was his predecessor as professor of geology and paleontology at Oxford University, William Johnson Sollas. The motive: Sollas wanted to destroy the reputation of a hated rival by tricking him into publicly accepting as authentic what would later be unmasked as an elaborate joke.

As Douglas explained, Sollas was a pillar of British science in the early 1900s, but his position was being increasingly challenged by a rising young star in anthropology, Arthur Smith Woodward. Indeed, at one scientific meeting of the Geological Society, Smith Woodward actually derided a presentation made by the older man. Recalled Douglas, who was present

at that almost forgotten confrontation: "Sollas said nothing at all, but I could see he was absolutely livid."

Sollas apparently decided to strike back by playing on Smith Woodward's credulity; he showed a tendency to accept purported new scientific findings as fact before they were rigorously proved. The ploy worked. Shortly after the planted Piltown remains were found, Smith Woodward enthusiastically staked his reputation on the authenticity of the find. In fact, in a painting that still hangs in the Geological Society's London headquarters, Smith Woodward is one of several eminent scientists shown intensively examining the supposedly precious skull. What is more, he is pictured right next to its "discoverer," an amateur fossil hunter named Charles Dawson.

How was Douglas so sure that his noted mentor masterminded the fraud? For one thing, said Douglas, who worked in Sollas' laboratory, the telltale 1953 analysis of the skull showed it had been aged with the chemical potassium bichromate. When he first read that report, Douglas recalled, his mind immediately flashed back to a day in Oxford before World War I: "I can remember as if it was yesterday: a small packet arriving [at Sollas' lab], which Bayzand, the assistant, and I unpacked and found to contain potassium bichromate. We both said, 'What on earth's the professor ordered this for?'" There was still another piece of incriminating circumstantial evidence. Around the same time, Sollas had taken the unusual step of borrowing ape teeth from the Oxford anatomy department's collection. The final clue that convinced Douglas of his predecessor's culpability was the fact that every leading anthropologist in Britain—except Sollas—appears in the Geological Society painting.

As well as the hoax worked, Douglas

pointed out, it ultimately backfired on Sollas. The Piltown man was accepted not only by Smith Woodward but by almost the entire scientific establishment. Hence discretion required Sollas to remain mum. As the authors of the *Nature* article concluded, "When he saw all the other eminent names that joined in authenticating the find," it would have been "unseemly for a man in his position to admit such a trick."

Cosmic Champs

A space mark for the Soviets

The scenes were all too familiar to Americans: the crew drifting down under a huge striped parachute, mission controllers jubilantly congratulating one another. But it was a Soviet, not a U.S., space triumph that was being celebrated last week—the homecoming of Cosmonauts "Volodya" and "Sasha." Smashing all space endurance records, the Soviet Union's latest heroes, Vladimir Kovalev, 36, and Alexander Ivanchenko, 38, had returned safely to earth after nearly 140 days in space.

Soviet TV did not show any live pictures of the touchdown on a plain in Kazakhstan or the wobbly emergence of the men from their capsule after 4½ months of weightlessness. But a preliminary checkup showed that the cosmonauts had withstood their ordeal well, keeping in shape with rigorous exercises and the use of vacuum suits that forced their blood to circulate as if they were standing upright on earth. Encouraged by the results, Flight Director Alexei Yeliseyev contended that the Soviets could now send out manned space expeditions of practically unlimited duration.

Besides eclipsing the mark of 96 days set earlier this year by two other cosmonauts aboard the same Salyut 6 space station (the U.S. record is 84 days in orbit, set by a Skylab crew in 1974), Kovalev, a Soviet air force colonel, and Ivanchenko, his flight engineer, chalked up other feats. They played host to two visiting ships, one carrying an East German, the other a Polish cosmonaut. Resupplied three times by remote-controlled ferry craft, they conducted extensive observations of both the heavens and earth, and performed such experiments as growing crystals for electronic components and testing the effects of zero gravity on bacteria, and tried out a new, flexible space suit. All in all, said former Apollo-Soyuz Astronaut Tom Stafford, it was "a significant achievement."

NASA officials admitted that it will probably be years before the U.S. can equal the new mark. What made the triumph more galling is the fact that it was achieved with equipment far less advanced than the U.S. space shuttle, which is not scheduled to make its first orbital flight until late next year.

INFORMATION MANAGEMENT. DOES IT THREATEN THE WORK ETHIC?



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XEROX

Law

TM in the Pen

Stopping mayhem with mantras

The vilest deeds like poison weeds bloom well in prison air," wrote Oscar Wilde. In the California prison system, for years one of the most violent in the U.S., something quite different has taken root: Transcendental Meditation. At Folsom Prison, a state-run storehouse for repeat offenders, more than 250 inmates over the past three years have stopped hating and hitting each other to sit quietly and think their mantras. Encouraged by Folsom's example, authorities at San Quentin ("the Q") and Deuel Vocational Institution have opened their doors to TM programs. The state parole board has asked for \$42,500 in federal funds to support them.

Says Pat Corum, a three-time loser serving a double life sentence at San Quentin for murder and kidnaping: "The walls in my head were thicker than prison walls. With TM, those walls have come down." Other converts include members of the Mexican Mafia, Aryan Brotherhood and Black Guerrilla Family, groups

well known for making mayhem in California prisons. "It don't sound right to say I enjoy being here, but it don't bother me like it did before," says Felix Padia, a Folsom inmate who has been meditating for 17 months. Says Convicted Dope Peddler Willie Castaneda, 55: "I am even beginning to like myself."

To back up these testimonials, Psychologist Alan Abrams, a ten-year practitioner of TM, tested the emotions and psyches of 120 Folsom inmates, half of whom were meditators. Using a battery of psychological and personality tests, he found that neuroticism among the meditators decreased 50% on the average, hostility 22%, anxiety 60% and suspicion 27%. No significant changes were recorded for the non-meditators. Perhaps the most convincing statistic of all is that out of 58 meditators who have been released from Folsom over the past two years, only two have returned. Folsom's average recidivism rate is 15% for prisoners released one to two years, rising eventually to 50%.

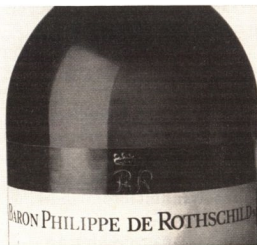
Such results may not justify the millennial euphoria of the TM faithful who now predict that meditation may eliminate prison violence, and ultimately prisons, entirely. But any results are encouraging in a field where rehabilitation has been an almost total failure. Says State

Department of Corrections Chief of Research Robert Dickover: "I think I have seen enough results from prison studies to justify my opinion that positive effects are emerging from the TM program."

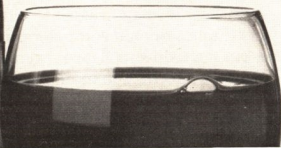
The cost of TM training is about \$250 a prisoner for a one-year program that includes weekly meetings and videotaped lectures. So far, TM volunteers have picked up almost all of the tab.

To recruit contributors, the TM organization uses a videotape of Convict Corum talking by phone to Maharishi Mahesh Yogi, the guru from India who brought TM to Europe and the U.S. TM organizers are also putting together an index of rehabilitation, though there is some doubt that parole boards would—or should—judge an inmate ready for release on the basis of things like improved alpha and theta brain waves. Penal authorities are more likely to be persuaded by the support TM has so far given parolees through free counseling at the 80 TM centers around the state.

As for the prisoners, some are no doubt looking forward to learning the advanced TM techniques called Siddhis. TM enthusiasts claim that by using Siddhis to refine control over mind and body, they can levitate and walk through walls. ■



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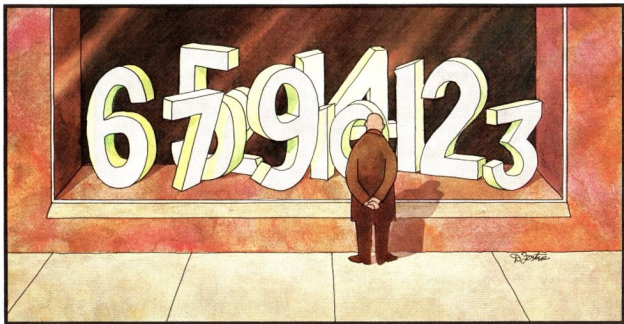
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& Service
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Schaak Electronics
Aurora, Grand Park,
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Vernon Hills
Schaak Electronics
Roselle

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Unides Electronics
Chicago
Video Forum
Chicago
Videoquest
Deerfield

Village TV & Hi-Fi
Winnetka
Willard
Winnetka
World of Music
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INDIANA
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Terre Haute
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KANSAS
Audio Professionals
Overland Park
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Center
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Mary's
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Area
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Nichols Electronics
Wichita
Radio Supply
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KENTUCKY

Barney Miller, Inc.
Lexington
Hi-Fi Buys
Ann Arbor, E. Lansing,
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MICHIGAN

Murphy's TV
Birmingham, Dearborn
Audio Dimensions
Birmingham
Hi-Fi Buys
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HI-FI BUYS

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Medicine



Edwards and Steptoe meet the press the day after Louise Brown's birth

A Bum Rap for Dr. Steptoe

Chicago group withdraws his award for test-tube baby

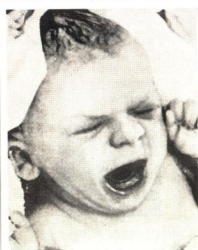
Gynecologist Patrick Steptoe and Physiologist Robert Edwards have basked in acclaim and glory since the July birth of Louise Brown, the world's first test-tube baby. But last week a shadow was cast over the Britons' triumph. Chicago's Baren Foundation, set up to promote fertility research, abruptly canceled plans to honor Steptoe on Nov. 15 with its annual award. Reason: Steptoe and Edwards have not yet published a detailed report of their work in a medical journal. The decision caused confusion among doctors and the public, and prompted at least one newspaper, the New York Post, to headline: FIRST TEST-TUBE BABY A HOAX?

Though the foundation's directors were quick to deny that the withdrawal of the award meant any such thing, their words did little to allay the doubts. Explained Dr. Jay Gold, of the University of Illinois medical school and chairman of the foundation's medical advisory board: "The advisory committee felt it would be premature to present an award before publication of the information to substantiate claims made in the lay press."

Dr. Richard Blandau, a respected fertility researcher at the University of Washington and the board's vice chairman, was more accusatory: "There is great concern that Dr. Steptoe has failed to publish and explain fully what he did. To many of us with great experience in the field, it still has not been proved that there was a test-tube baby. For all we know so far, the baby could have been conceived by natural means." According to an interview with Chicago *Star-Times* columnist Irv Kupcinet, Blandau further charged that Steptoe had "violated med-

ical ethics by selling his story to the *National Enquirer*, supposedly for \$650,000, instead of publishing his story in a scientific journal." He also blasted Steptoe for giving "false hope to millions of women because he has not revealed how many failures he had before this one birth."

Blandau later claimed that he had been misquoted in the press, but it seemed evident that he had given Steptoe and Edwards a bum rap. Though all scientists agree that Steptoe must document his claim, most do not regard his delay as a "failure to publish." Indeed, a scientific paper is usually not in print until from six months to a year after research is



Louise Joy Brown: born July 25, 1978

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Medicine

completed. Says Dr. Albert Decker of the New York Fertility Research Foundation, which is going ahead with its plans to present Steptoe with an award on Dec. 1: "You can't expect him to publish the minute it's over with."

Steptoe's detractors are apparently overlooking the fact that he has published detailed descriptions of his work in the past, and that both Steptoe and Edwards have publicly denied receiving money from any newspaper for exclusive stories about their work. Indeed, some of the critics may have been taken aback when, soon after Steptoe's award was withdrawn, British newspapers reported, and Edwards confirmed, that Scotswoman Grace Montgomery, 32, is due to give birth to a test-tube baby in mid-February. Its laboratory godfathers: Steptoe and Edwards.

At week's end, when word of the controversy reached Steptoe, who was traveling in Australia, he was "offended and surprised," Edwards was more combative. Said he: "We will lay our results before the medical and scientific communities for critical and open scrutiny as soon as it is possible, having regard to the requirements of scientific research in medical affairs. Any suggestions to the contrary, and any questioning of our good faith and competence are deeply resented and, I am advised, actionable." ■

Flap about Pap

Is an annual exam needed?

The test is familiar to almost every woman who has visited a gynecologist. To take a Pap smear, the doctor inserts a metal device that enables him or her to see into the vaginal tract. Then he inserts a swab or spatula, scrapes some cells from the cervix and smears them on a glass slide, which is then sent to a laboratory for microscopic examination. A few days later, the doctor receives a report indicating whether the cells are normal, atypical or malignant. The patient gets a bill for about \$6.

American women have been urged since the early 1950s to have an annual Pap (named for its inventor, Dr. George Papanicolaou) smear as a screening test for cervical cancer. That recommendation has now been challenged. Public Health Researcher Anne-Marie Foltz of New York University and Epidemiologist Jennifer Kelsey of Yale University charge that the test became entrenched as a yearly health measure before its merits could be established. At best, they say, institution of the annual Pap test has been "a dubious policy success."

Although cancer specialists point out that the incidence of invasive cervical cancer has fallen by more than 50% since yearly screening became widespread, they have no hard evidence to link the drop to the test. The decrease might be explained

by other factors like the increasing number of hysterectomies, in which the cervix is usually removed. The true efficacy of the test is also clouded by the fact that though half the adult women in the U.S. have Pap smears annually, relatively few of the tests are on women who run the highest risk of developing cervical cancer. The disease is most prevalent among women in low-income groups, as well as those who begin having sex at an early age and have multiple sex partners.

Then too, say the critics, the test is not highly accurate. Primarily because the physician may take an inadequate smear, some 20% to 30% of tested women who may have an atypical or cancerous condition erroneously receive a normal report. One study shows that because the condition of the cells is sometimes misinterpreted by the laboratory, another 7% of tested women who are in good health are told they have suspicious smears, after which a biopsy is often recommended. To Foltz and Kelsey, such statistics at the very least indicate that the Pap test is being overused at considerable expense to the public; the cost of mass annual screening, including office visit charges for women seeing their gynecologists solely for the annual test, runs in the millions.

Beyond U.S. borders, others have come to similar conclusions. A medical task force in Canada studied the effects of the annual Pap smear and two years ago reported that the results did not warrant the costs. Their recommendation: at age 18 any woman who has had sex should have her first Pap test. If it is negative, she should wait a year and have a second test. If that too is negative, then she should be screened only once every three years until age 35, then once every five years to age 60. If the test is still negative, there is no need for further exams.

Though U.S. doctors took scant notice of the Canadian report, America's policy-making health institutions have tacitly begun to concede that it may make sense. The American Cancer Society, which launched an all-out drive in the 1950s to get the Pap test itself accepted by a reluctant medical establishment and urged that it be performed annually, two years ago subtly changed its recommendation: it now advises "periodic" or "regular" testing.

The National Cancer Institute is also hedging. Says Dr. Margaret Sloan, of NCI's division of cancer control: "We recommend annual Pap smears starting at age 20 or the beginning of sexual activity. That is the optimum schedule. But, if funds are limited, once you have done two or three negative Pap smears within a year of one another, you can relax and have them at a three- to five-year interval." More specific guidelines may be in the works: NCI will hold a meeting this week to discuss cervical cancer screening. Says Foltz: "The time for a policy change is long overdue." ■

This Eskimo is High on HDL.

That's Good News for His Heart.

HDL isn't a new street drug. It's a type of cholesterol (high density lipoproteins) that apparently protects people from heart disease.

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The important facts about HDL are that it is apparently a gauge of your susceptibility to heart disease—and, if it's low, **HDL can be increased** by regular exercise like jogging, by eating chicken and fish, instead of meat, and by giving up things like potato chips that are high in saturated fats. People are raising their HDL levels that easily.

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Economy & Business

Furor over Japan

Rising ire over a still soaring surplus

After so many years of talks, protests and promises on both sides, the squabbling between the U.S. and Japan over trade might be expected to subside. In fact, tempers seem to be getting worse, not better. Yankee businessmen complain that they are still all but shut out of the Japanese market, and more and more of the American consumers who buy the goods that the Japanese export with such zeal seem to agree. Pollster Louis Harris found that a strong (64%) majority are persuaded that the U.S. is get-

quoting on American beef and oranges).

Now the dollar's tribulations are focusing further attention on the trade problem with Japan. A main cause of the dollar's weakness is the U.S. trade deficit, which may run to more than \$30 billion this year; the deficit with Japan will account for almost half of that. Economist Otto Eckstein of Data Resources Inc. in Lexington, Mass., last week declared that what is really needed to restore the dollar's health is "quick and dramatic relief from Japanese imports." In trade, says Eckstein, the Japanese "have done nothing for us." The Japanese, for their part, argue vehemently that they have done much to open up their market and that it is now the fault of American exporters if they cannot crack it. Who is right?

The one fact on which there is no debate is that Japan's huge trade surplus with the U.S. is growing bigger all the time (see chart). The excess of what Japan sells in the U.S. over what it buys from America reached \$9.3 billion in the first nine months of this year, and is expected to hit a record \$12.4 billion for all of 1978.

These huge imbalances not only cost American workers jobs and help fan U.S. inflation but have also contributed mightily to the weakening of the dollar. In theory, the 40% fall of the greenback against the yen over the past two years should have helped correct the U.S.-Japanese trade imbalance. This would happen if Japanese exports became more expensive and therefore less attractive to American buyers, thus cutting the cost of U.S. exports to Japan. To some extent, this has happened. For instance, Toyota's U.S. sales fell almost 8% in the first nine months of 1978, partly because prices of new cars were lifted 13.9%. Yet, overall, sales of Japanese exports remain strong in the U.S., while sales of American products in Japan show little new strength.

The Japanese concede that, up to the mid-1960s, their trade policy was plainly protectionist. Since then, they claim, controls and regulations that hampered imports have been pulled down so far that they now have one of the most open domestic markets in the world. One reason U.S. companies still find that market so impenetrable, says Toshihiko Yano, formerly a top policymaker at Japan's Ministry of International Trade and Industry, is that they have ample room to grow at home and do not "want to take the time and trouble involved in exports. They have got to make the effort." Echoes



Americans peddling components at Isuzu plant



U.S. refrigerators on display in a Tokyo store; below: scene in a Chrysler showroom



ting shortchanged on trade, by Japan as well as by other countries. Today a good many Americans would applaud the exasperation confessed by John Nevin, chairman of Zenith Corp., in the latest *Harvard Business Review*. Says he: "The question is whether Japan is going to open up or the rest of the world is going to shut down Japan."

High up on the list of American complaints is the sluggishness with which Japan has moved to live up to the trade agreement that was concluded with the U.S. last January. That pact pledged Japan to cut tariff walls and quotas, with the aim of bringing U.S.-Japanese trade back into balance by 1980. But there have been few signs that the promises are being kept, and trade hassles with the Japanese are still regularly in the headlines (last week's concerned Japanese import

Yasuo Oki, a spokesman for Mitsubishi, Japan's largest trading house: "American businessmen come in here, throw up their hands at the differences in doing business in this country and go home muttering about the closed market."

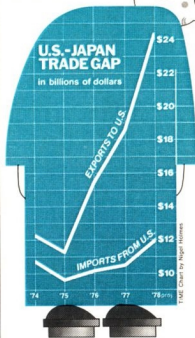
Some Americans agree. Writing in the current *Foreign Affairs*, two officers of the Boston Consulting Group, a private management study firm, place the blame for the trade imbalance on a lack of aggressiveness among U.S. exporters. They insist that over the past ten years America has steadily lost its share of the Japanese import markets for most manufactured goods and that, whatever the barriers and for whatever reasons, the U.S. has been supplying a smaller and smaller part of what Japan does in fact import.

American businessmen and some Government officials take a different view. Some argue that the Japanese language constitutes a trade barrier. Assistant Commerce Secretary Frank Weil agrees that the technical quotas and tariff restrictions have now been largely dismantled and that "there are really few restrictions on manufactured goods." But, he adds, they have been replaced by something different: "a mentality on the part of the average Japanese businessman that says 'I've been told for a hundred years I shouldn't import. I can make it here.' It's a sort of conditioned reflex." Says Norman Glick, a member of the U.S. Commerce Department's trade facilitation committee: "The Japanese have protection in depth. As soon as you peel away one layer, you find another."

One key hidden barrier, Weil agrees, is "the gigantic Japanese bureaucracy, with its bias against foreign manufactured goods." This shows itself in many ways. Government agencies like the railways and telegraph and telegram systems, which spend roughly \$52 billion a year, have been under orders to "buy national," and although this restriction has been eased in recent months, old habits die hard and few foreign orders have been placed. And when the government does not want to buy foreign, wholesalers and industrial buyers steer clear of imports as well. At the same time, customs officers have been known to effectively shut out imports by finding fault with documentation. Moreover, since there is no reciprocity between Japan and the U.S. on normal standards, certifications and product health and safety regulations, foreign imports have to face lengthy and expensive testing procedures. Until very recently, even the smallest error gave minor bureaucrats an excuse to order the whole thing redone. Certification, laments John Quick, vice president in charge of GM's Asia-Pacific operations, is "a long, involved process that can take up to eight months" and requires "carloads of papers."

A further problem U.S. firms face is Japan's multilayered, complex distribution system. This retail network is dominated by the giant wholesale trading

houses, which can set the prices of imported goods so high that they fall into the luxury, low-sales category. Despite the drop in the dollar, the Japanese prices of *hakurathin* (foreign-made goods) have not dropped, because wholesalers simply pocketed most of the difference. What price cutting has occurred has been



meager: a Kelvinator refrigerator has been marked down from \$942 to \$910, a fifth of Johnnie Walker Black dropped from \$39.50 to \$37, and Campbell soup fell from \$1.16 to \$1.05. Says Weil: "If GM distributed its Seville directly, it could be sold for \$15,000 rather than the \$30,000 it now costs."

The middlemen can also, if they so wish, effectively block the import of products that threaten and compete with domestic producers. Zenith's Nevin insists that this is what happened to his company and others when they tried to enter the Japanese TV market. He asserts, despite its denials, that the Japanese Electronic Association put pressure on the government, the stores and the trading houses to make things tough on the American invaders. When sets made for Sears, Roebuck did finally make it to Japanese stores, he points out, their prices were set prohibitively high. Customers had to buy them at 600 yen to the dollar rather than the 300 yen set for other goods. The result: of 5 million TVs sold in Japan last year, only 452 were imported.

Despite some weak evidence of import liberalization, the slow increase of U.S. sales in Japan at a time when the dollar has never been cheaper supports American claims of at least some unfair import obstacles. Even if lack of export skill or will on the part of American firms must bear a small part of the blame, this will do nothing to shake the conviction in the U.S. that, as Trade Negotiator Robert Strauss puts it, "we could have landed a thousand tanks in Japan 30 days after Pearl Harbor easier than we could land a thousand Ford cars today."

More Punch in Productivity?

And now for some good news about U.S. industry's competitive strength. In the third quarter of this year, according to a poll of 548 large companies by the *Wall Street Journal*, average aftertax profits were up by 21%, compared with the same period last year. Airlines and the steel industry posted big increases; General Motors' net income rose by 31% to \$528 million, its highest quarterly earnings ever.

Corporate belt tightening, price increases and the continued buoyancy of the economy all helped to increase profits. Kemble Stokes, a Commerce Department senior economist, adds another, more intriguing reason. During the third quarter, the U.S. managed a jump in nonfarm productivity of 3.7% at an annual rate, compared with a first-quarter decline. The increase was startling because productivity has slipped badly in the U.S. since the mid-1960s, partly as a result of the flow of less skilled people into the labor force and the proliferation of costly government regulations. For the past five years America's rate-of-productivity growth has been below 1%, vs. Japan's 5.5% and West Germany's 6.6%.

The surge may prove to be only statistical. Productivity figures, Stokes concedes, "bounce around a lot." But even if the figures swing down again, U.S. industry could brandish a new study by the Organization for Economic Cooperation and Development on the relative competitiveness of 24 major industrial countries. It found that, largely as a consequence of the dollar's drop and rising world prices, the U.S. now enjoys the lowest production costs and highest profit margins of all the 24. Steeply rising U.S. export and import prices relative to all other OECD countries, including Japan and West Germany, provided analysts with ever widening profitability margins. The OECD analysts concluded: "Indeed, by almost every available indicator the United States seems to have become much more competitive internationally during the last five years."

Chrysler Gets Some "Firepower"

Feisty Lee Iacocca is back at the wheel again

"Johnny called me and said, 'Why don't you come over and give me a hand?'" So said former Ford President Lee Iacocca last week, talking about how he had just made one of the most spectacular moves in Detroit's long history of high-level executive swapping. Iacocca was appearing at a press conference in the Highland Park, Mich., headquarters of his new employer with his new boss, Chrysler Chairman John J. Riccardo, whom almost no one ever calls Johnny. But Riccardo did not seem to mind the unaccustomed familiarity. Speaking of the man just named by Chrysler's board as the troubled company's new president, Riccardo beamed and said he was "personally, extremely pleased."

So, clearly, was Iacocca. "I really didn't want to retire at 54," he said. "I really didn't want to be banished from the auto scene."

Iacocca's return was almost as startling as his departure. Only last July, one of Detroit's sharpest marketing men was abruptly ousted after 32 years at Ford, the last eight years as president. The precise reasons for Iacocca's downfall are still unclear, but at least one of the causes was a clash of wills with Chairman Henry Ford II. After his firing formally took effect in mid-October, Iacocca was relegated to a drab, linoleum-floored office in a spare-parts warehouse near Ford's headquarters in Dearborn, Mich.

Ford executives say that Iacocca's new job "came as a surprise." Only 24 hours before, Ford had announced a severance agreement with Iacocca that granted him a termination payment of \$400,000 plus a separation payment of \$275,000; he also stood to get \$1.1 million in additional payments, on condition he did not go to another auto company. No one at Chrysler would say what Iacocca would be paid now, but almost certainly he is not going to miss his forfeited Ford pay very much. According to some reports, he was guaranteed a sal-

ary package totaling more than \$1 million over an unspecified term, as well as an option to buy up to 400,000 shares of Chrysler common, now selling at \$11.25 a share.

Iacocca insisted on being given a free hand in running Chrysler's day-to-day affairs, and evidently he will get it. President Eugene Cañero, who at 52 is only two years younger than Riccardo and was not a strong candidate to succeed him, was made vice chairman and given vaguely defined duties involving planning. Riccardo announced that he will turn over his job as chief executive officer to Iacocca next year and devote most of his energies to Government relations and Chrysler's finances, which he says already occupy "almost 100%" of his time.

Riccardo says he recruited Iacocca because Chrysler "needed additional firepower." While Ford and General Motors are both enjoying robust sales and profits, Chrysler is in the midst of its worst year since 1975, when it lost \$260 million. The company lost \$158.5 million in the third quarter alone, and its full-year deficit could reach \$250 million. On the plus side, Chrysler in August sold its European automotive assets to France's Peugeot-Citroën in a deal that included \$230 million in cash. Riccardo has announced that Peugeot-Citroën coughed up the \$230 million this year, months earlier than expected. Nonetheless, Chrysler's board last week cut the company's quarterly dividend from 25¢ to 10¢ a share.

In a season when the industry conducts a 60-day inventory of unsold cars to be normal, Chrysler has an 81-day supply; for some of its Japanese imports, including the Plymouth Sapporo and Arrow models, the sales backlog exceeds 150 days. For lack of models, the company has been virtually shut out of the full-size car market, which now constitutes 29% of industry sales. And when the company introduced its new full-size 1979

Chrysler New Yorker and Dodge St. Regis models with a vigorous publicity blitz in early October, it had almost no cars to sell because of production problems. Chrysler's only real winners this year are its front-wheel-drive Omni and Horizon.

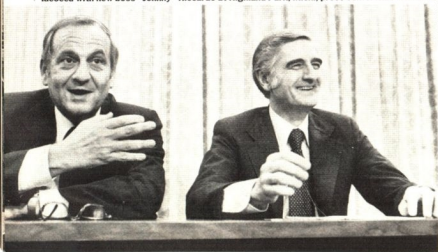
Beyond its immediate marketing problems, Chrysler faces a more general need to change directions. Alone of the Big Three, the company has never really nurtured a specific vision of the kinds of consumers it hoped to reach. Its customers tend to be older, less affluent and more conservative than those of Ford or General Motors. The Omni/Horizon, Detroit's first front-wheel-drive car, is a promising breakthrough, but Chrysler still faces a changing marketplace with limited financial resources.

Many industry analysts are skeptical that the arrival of one of Ford's better idea men can have much immediate impact. Says Ronald Glantz, a vice president of Paine Webber Mitchell Hutchins: "It takes three years under a crash program to design a new car. Whatever happens in '79, '80 and '81 will be due to the programs already in place." He adds: "The auto game in the '70s and the '80s will be fuel efficiency, space efficiency, ease of assembly—and none of those are Iacocca's strong points." But others disagree. Says Michael Ward, vice president of Dean Witter Reynolds: "Chrysler's only problem is volume. Iacocca can help: he's a super marketing guy."

Iacocca says that he would like to see his new employer develop a "sports car," suggesting that something like the Mustang, which made Iacocca's reputation as a marketing whiz at Ford, may be in Chrysler's future. Iacocca is also expected to inject some new pep into the company's dealer organization. The real test of Iacocca's ability will be in how well he can maneuver within the narrow limits imposed by Chrysler's tight financial circumstances. The auto industry has changed dramatically since he introduced the Ford Mustang in 1964; costs are much higher, and so are risks. Whether Iacocca will succeed in turning the company around remains to be seen. But Chrysler is betting a bundle he can do just that. ■

Iacocca with new boss "Johnny" Riccardo at Highland Park, Mich., press conference last week

With ex-employer Henry Ford II last year



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3 WALT DISNEY WORLD VACATION KINGDOM AND THE FLORIDA COASTS. \$150-\$246* PLUS AIRFARE. See the Magic Kingdom and enjoy the sunshine of the Florida coasts. Spend 3 nights at a selected hotel in Orlando. Then enjoy 4 nights at your choice of a selected hotel in Daytona Beach, Tampa, Clear-

water, St. Petersburg, or the Sarasota area. A subcompact car* with unlimited mileage is included for seven 24-hour periods, plus Eastern's exclusive Walt Disney World Ticket Book. Price will vary by destination. (ITSEADABW; GLFW)

4 SAN JUAN WITH ST. THOMAS OPTION. \$120-\$292* PLUS AIRFARE. Soak in the alluring Puerto Rico sun and stay at a selected hotel for 8 days/7 nights. Includes LeLoLai features like the Folkloric Ballet and the Light and Sound Spectacle. Or for \$20 more, indulge in a round-trip flight to St. Thomas for a day of duty-free shopping. (ITSEAIGZC)

5 NASSAU/FREEPORT/LUCAYA. \$121-\$320* PLUS AIRFARE. Enjoy the good life for 8 days/7 nights at a selected hotel. You'll choose from attractions like a visit to the Sea Floor Aquarium or a glass-bottom-boat trip through Nassau Harbor to the Sea Gardens. Try your luck in

Freeport's famous casinos. Price will vary depending on hotel selection. (ITSEABITWN20; F20)

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EASTERN
WE HAVE TO EARN OUR WINGS EVERY DAY



"Landfills are noisy...messy."

Two men look at sanitary landfill. One sees a mess, the other a community asset. Who's right?

Americans throw out some 500 million tons of "junk" yearly. Paper, plastic, glass, garbage. Disposal is a colossal problem. Hauling it off can increase traffic to disposal grounds. Heavy equipment working the sites is sometimes noisy. Occasionally, there are odors. Often the land is torn up as modern operators trench and bury wastes. True, sites are converted later to another use, but critics say that sometimes takes years.

Proponents ask "What's the alternative?" If left to accumulate, waste would bury us. Burning pollutes, leaves a residue to get rid of. Open dumping is outlawed. A well planned landfill project spreads out trash in thin layers, compacts and covers it daily with soil, discouraging flies, vermin, lingering odors. Many are landscaped, have become parks, golf courses, and civic development sites.

True, sanitary landfills are a tidy answer to a growing problem. But we need other solutions to waste disposal, too. We should recycle more materials, recover metals, reuse glass, look for ways to extract chemicals, burn otherwise valueless wastes for fuel.

Right now reclamation isn't working well. There are problems of economy, difficulties finding markets for reclaimed products. But several pilot plants are in operation. Answers are being sought. Sanitary landfill breaches the gap, taking care of today's wastes, giving us leeway to perfect more efficient reclamation.

Caterpillar makes machines used in sanitary landfill. We think efficient waste management is important to the health and beauty of our land.

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**"Landfills are
a good way to
get rid of trash."**





The proprietor surrounded by some of his wares; in his hand: a \$650 Cibachrome copy of Pablo Picasso's *Houses on the Hill*

Capitalizing on a Collection

Nelson Rockefeller's venture in mail-order art

In price, they range from \$65 replicas of 18th century Chinese-made porcelain salt dishes to a copy of Auguste Rodin's *Age of Bronze*, a statue of a nude male that stands 4½ in. high and sells for \$7,500. In scope, they embrace reproductions of such varied items as Picasso's *Houses on the Hill* (\$650), a weather vane sculpture of the 19th century race horse (\$975), an old Chinese temple jar (\$1,000) and an 18th century Japanese wood carving of a sleeping cat (\$125). Besides beauty and style, what these and 112 other art objects being offered in a slickly handsome new catalogue have in common is that all are copies of works in the huge private collection of one of the nation's newest mail-order salesmen: Nelson Rockefeller, 70.

Rockefeller's transformation from politician to art entrepreneur was swift. Only about a year ago, he decided that he might try marketing reproductions of some of the approximately 16,000 items in his collection, which in 1974, when he became Vice President, was valued at \$33.5 million. Two months ago, the Nelson Rockefeller Collection, Inc., began with the mailing of its catalogue to 475,000 sales prospects, including 350,000 from the mailing list of the Dallas-based Neiman-Marcus department store. Rockefeller, who in 1974 was worth \$218 million, will say only that the returns so far have been "encouraging."

The most popular item, which Rockefeller says has drawn 1,000 orders, is one of the least expensive: a \$75 reproduction in unglazed clay of a Haniwa head, mod-



\$125 Japanese cat

eled in Japan sometime in the 5th to 7th centuries. Other popular sellers: \$750 copies of a pair of andirons designed for Rockefeller by the Swiss sculptor Alberto Giacometti in 1939; a \$1,250 gold-plated bronze reproduction of a voluptuous female torso from a bronze cast sculpture by Gaston Lachaise. A slow mover is the \$7,500 copy of the Rodin nude. Rockefeller, who has been collecting since the 1930s, invested \$3.5 million in the project and admits he will close it down if it is not turning a profit. Says he: "I couldn't do it as a philanthropy."

Though in the past Rockefeller had often had things in his collection copied, especially china, he did not decide to go into reproductions as a business until 1977. Lee Boltin, a photographer who had taken the pictures for a book on primitive art, the first of a series to be published by Rockefeller, suggested the idea. Some experts urged Rockefeller to start slowly and do some market testing to see what items would sell best. Rocky said no. "We could have sneaked into the market over five years," he says. "But I wanted to do a real cross section, everything from primitive to modern, Chinese, Japanese, etc."

To oversee the making of some of the reproductions, which are produced

by leading art-reproduction craftsmen in America and Europe, he hired Christine Roussel, former manager of the Reproduction Studio of New York's Metropolitan Museum of Art, as one of his advisers. Rockefeller personally supervised the recasting of the bronze objects and the hand painting of the copies of his rare Meissen china. For the reproduction of paintings, he decided against the often used lithographic method in favor of the Cibachrome photographic process, which closely captures the color of the originals.

There has been some grumbling in the art world about the high price tags on many of Rocky's reproductions, as well as about the propriety of reproducing important works of art for commercial purposes.

Rockefeller counters that "good reproductions do not devalue originals.

They enhance the value, and they make more people aware of art." Moreover, he insists, he is filling a need: "With the prices of outstanding art going up, it has been getting harder and harder for people to acquire it. Only a small number can buy originals."

He readily concedes that more than a few of his customers may be moved to buy a Rocky copy not because they know anything about the particular work but because they are reassured by "the prestige value, the Good Housekeeping Seal of Approval" of the man who has the original. But, he adds, "I've always bought art because I love things.

Art does something for me that's important." He believes what the real thing does for him, the copies can do for others.



\$7,500 *Age of Bronze*

Economy & Business

PATs vs. NOWs

Two 5% solutions

Some help for the inflation-weary: the nation's 4,668 federally chartered banks can now offer interest on what is, in effect, money deposited for checking, and many have begun doing so. For the first time since the Depression, consumers can get some return on funds that the banks have long been able to use for free.

Alas, checking with interest has arrived amid considerable confusion because two systems are in contention. Under a Federal Reserve Board ruling effective Nov. 1, all member banks can offer so-called preauthorized automatic transfer schemes, or PATs. Depositors keep separate savings and checking accounts and authorize the automatic transfer of funds out of savings to cover withdrawals from checking.

All deposits are held in savings, where the money earns a maximum interest of 5% a year right up to the moment of withdrawal. But banks that offer the service can charge steep fees, sometimes as much as 25¢ for every check written, plus a monthly service fee that may be as high as \$5 if the savings balance drops below a preset level. Thus PAT accounts may be profitable only for depositors who write few checks and can maintain a balance of close to \$1,000.

Because the PAT plans are costly and complex to run, especially for smaller banks, the future may well lie with the simpler system of negotiable order of withdrawals, or NOWs. Here a customer need only open a single savings account and when he wants to pay a bill, write a withdrawal order: a draft that looks like a check and can be used as one.

Unlike the new PATs, NOW accounts have been tried and proved by banks and other thrift institutions in the six

New England states for several years, with impressive results. The region's biggest bank, Boston's First National, attracted NOW depositors from all 50 states and some 70 foreign countries. In fact, about 20% of the funds in the bank's NOW accounts come from depositors outside of Massachusetts. Says Kenneth

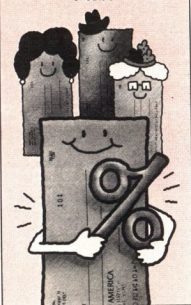
Rossano, senior vice president at the bank: "Nationwide NOW accounts are inevitable."

Though banks in most states are still not authorized to offer NOW accounts, they will spread to the New York State market soon, as a result of an amendment that was unexpectedly passed in the hectic last days of the 95th Congress. Consequently, Citibank and Chase Manhattan have scrapped plans to offer PATs in favor of NOWs, and Chemical Bank and Manufacturers Hanover, which introduced PATs last week, plan to switch soon. Says Robert Lipp, head of Chemical Bank's metropolitan division: "NOWs are less confusing and cleaner. They are clearly the way to go."

NOWs are easier to understand, but they do not offer any great advantages over PATs. NOW accounts too are advantageous mainly to those who can maintain big balances, though the break-even point may be somewhat lower than with PATs. Under Citibank's plan, for instance, a depositor will earn 5% interest on the money he keeps in a NOW account and if he maintains a total balance of at least \$3,000, pay no service fee. But if the combined balance drops below that, he must pay a charge.

Whatever system eventually prevails, interest-bearing checking will spur another round of bank competition for new business and bite into bank profits. California's Bank of America, which is offering PATs at its 1,100 branches, reckons that the interest it will pay to PAT depositors will total \$30 million annually and slice about 7.5% from earnings. Savings and loan association officials are also worried about this new round of competition for the savings dollar. Many are desperately hoping they will be allowed to offer checking-with-interest accounts of their own or other services that may help curb a loss of depositors to commercial banks.

Meet our new
addition.
The
Interest/Checking
Plan.



Bank leaflet touting new plan

Milestones

MARRIED. Jaclyn Smith, 33, dark-maned heroine of TV's adventure series *Charlie's Angels*; and **Dennis Cole**, 38, actor; both for the second time; in Manhattan.

MARRIED. John D. Ehrlichman, 53, Richard Nixon's domestic affairs chief and Watergate conspirator; and **Christine Peacock McLaurine**, 30, interior designer; both for the second time; in Staten Island, N.Y. Ehrlichman, divorced only last month, met his new wife eight months ago in a Manhattan furniture store, where she worked as a salesperson. The couple plan to live in Santa Fe, N. Mex.

DIED. Julius Shiskin, 66, Bureau of Labor Statistics commissioner whose monthly barometric reading of unemployment and prices measured the economic weather;

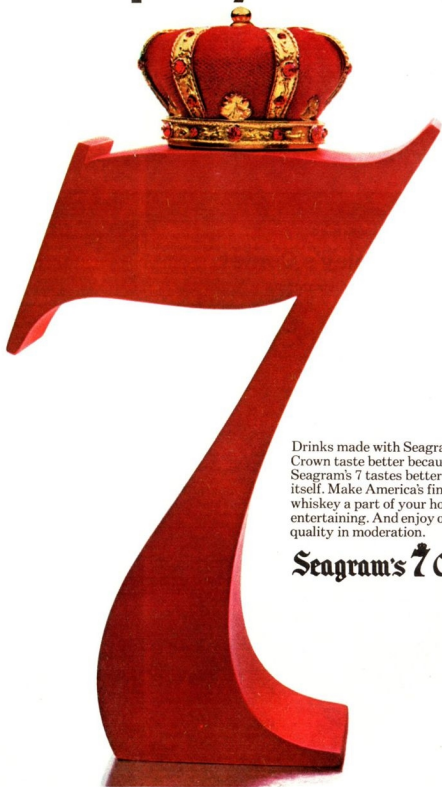
of a kidney ailment; in Washington, D.C. A career civil servant, Shiskin worked in the Census Bureau and the Office of Management and Budget before being appointed to his last post by President Nixon in 1973. Respected and apolitical, the BLS chief was reappointed by President Carter last year. Finding the consumer price index too narrowly based, Shiskin worked out new formulas to better gauge the costs of U.S. goods and services.

DIED. John Allison, 73, U.S. Ambassador to Japan from 1953 to 1957; in Honolulu. A consul in Osaka when the Japanese attacked Pearl Harbor in 1941, Allison was interned for six months before his repatriation. As deputy to Chief Negotiator John Foster Dulles, Allison helped draft the Japanese peace treaty in 1952 and in

1954 signed a mutual defense pact under which the U.S. bolstered the Japanese economy with \$100 million.

DIED. Eben Roy Alexander, 79, TIME's managing editor for a record length of time, eleven years (1949-60); of pneumonia; in Roslyn, N.Y. A graduate of St. Louis University who served in the Marine Corps during World War I, Alexander worked for the *St. Louis Star* for four years and for the *St. Louis Post-Dispatch* for 14, eventually becoming assistant city editor. He came to New York City and TIME as a writer in 1939. Equally at home in subjects as diverse as politics, religion, music, foreign affairs and the classics, Alexander became assistant managing editor in 1946 and managing editor three years later (see *A Letter from the Editors*).

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Seagram's 7 Crown

Television



Olivia de Havilland and Henry Fonda in *Roots: The Next Generations*

The Return of Haley's Comet

ABC gears up Roots: The Next Generations

Special, mini-series, big event: these are the most overused terms in television's absurd lexicon of hype. But in the 1978-79 season, when almost every prime-time show is labeled spectacular by the networks, one mini-series surely justifies the advance billing. That show is *Roots: The Next Generations*, ABC's sequel to the most popular TV entertainment of all time. When this 14-hour production airs over seven nights in early February, upwards of 100 million viewers may tune in to see if it is a worthy successor to the original *Roots*. ABC expects a huge audience but a tough one. Explains Network Senior Vice President Brandon Stoddard: "The real apprehension is not whether we're going to get a 66 share in the Nielsen again. Based on the original run and this fall's rerun, we know there is still a great deal of interest in the story. The real question for us is: Have we kept up the standards we set last time?"

At first, none of *Roots'* creators wanted to risk such comparisons. "We had at least six lengthy discussions about whether or not to do a sequel," recalls Alex Haley, the man whose genealogical search launched the whole *Roots* phenomenon. "Our initial feelings were negative. We felt the other did so well that we should just let it hang up there. Then, very gradually, it began to come together. Someone would ask me about stories I had, so I told them about Sister Carrie or Aunt Liz, and then some more."

Eventually Haley started carrying a tape recorder around with him at all times to dictate his family tales. Within six weeks he piled up more than 800 pages of transcript. From this raw material, Writer Ernest Kinoy and Producer Stan Margulies constructed a plot that chron-

icles Haley's family from 1882 to 1965. *Roots 2* opens in Henning, Tenn., where Chicken George settled the family at the end of *Roots 1*. The show's climax will dramatize Haley's arrival in Gambia to search for traces of his African forebear, Kunta Kinte. Along the way, *Roots 2* will encompass the Reconstruction, two world wars, the growth of urban black ghettos and the birth of the modern civil rights movement.

Unlike the first *Roots*, a then risky venture produced on a bare-bones budget, the new show is going first class. (Es-

Avon Long as Chicken George



Richard Thomas and Fay Hauser

Awaiting a huge but tough audience.

timated budget: \$18 million, three times the cost of the original.) "This time," says Margulies, "the network said, 'Name it—you guys are king of the mountain.'" Over \$1 million was spent just to rebuild Henning near Los Angeles: during *Roots 2*, viewers will see the town grow from a dusty rural outpost into an industrialized modern city. Says Margulies: "Finally I had the money to shoot in an honest-to-God cotton field."

The expanded budget may actually be most visible in the show's casting. Besides such strong young actors as Richard Thomas, Fay Hauser, Dorian Harewood, Stan Shaw and Irene Cara, *Roots 2* features Ossie Davis, Ruby Dee, Brock Pe-

Kristoff St. John as the young Alex



ters and Paul Winfield. James Earl Jones will play Haley, a close friend. Perhaps the biggest coup is the casting of Henry Fonda and Olivia de Havilland as the wealthiest white couple in late 19th century Henning. Both movie stars are fans of the original *Roots* and jumped at the chance to appear in the sequel. "From what I see," says Fonda, "The New Generations is even better than *Roots*. The scripts sent to me were the best I'd ever read in any medium, full of beautiful ideas and writing." He particularly liked playing a man whose racial views are contrary to his own. "I don't always play good guys," he explains. "Once in a part, I massacréd a whole Western farm family." Another *Roots* 2 bad guy may be Marlon Brando, who is negotiating to make a rare TV appearance as American Nazi George Lincoln Rockwell in the final episode.

Audiences may not find *Roots* 2 quite as powerful as Fonda does, but the first and only complete episode looks promising. Much in the manner of the original series, soap opera and history are blended to potent effect. A moving death scene for Chicken George (now played by Avon Long, succeeding Ben Vereen) is skillfully set against a nuts-and-bolts account of the advent of Jim Crow laws. With the help of subtle performances by Fonda, De Havilland and Thomas, the white characters seem less abjectly evil than those of *Roots* 1.

Still, some of *Roots* 2's creators worry that the more recent historical material may lack the shocking impact of the first show's depiction of slavery. Says ABC Vice President Esther Shapiro: "It's easy to do whips and chains. *Roots* 2 is about feelings. It is about blacks throwing off the emotional bonds of slavery that a proclamation cannot take away." But Alex Haley is satisfied that the new show will do its proper job: to present black families who "love each other, struggle together and overcome obstacles to achieve goals." And this time around, the author's family will be literally as well as figuratively onscreen: Haley's niece Ann, 16, has an acting role in the fourth episode. ■

Once in Love with Mary

First, You Cry, Nov. 8, CBS, 9 p.m. E.S.T.

Few TV performers are as durable or as justly adored as Mary Tyler Moore. During the past 15 years she has become an unpretentious symbol of sophistication in a medium where that quality is usually considered a punishable offense. As Laura Petrie, the slightly daft heroine of the classic *Dick Van Dyke Show*, Moore demonstrated that sitcom suburban housewives did not have to be domestic ninnies chained to a kitchen sink. With her easy wit and sturdy intelligence, almost single-handed she brought TV out of the Lucille Ball-Donna Reed era.

The *Mary Tyler Moore Show* went even further. News Producer Mary Richards was TV's first truly liberated heroine: a capable, ambitious working woman who was perfectly content to turn 40 without having found a husband. When *MTM* voluntarily ceased production at the end of the 1976-77 season, Moore's admirers quite naturally assumed that their heroine would soon return in yet another rich and adventurous series.

Now 17 months have gone by, and no such series has materialized. Instead, Moore has frittered away the time by trying to parlay an indifferent singing voice and nice legs into a career as a song-and-dance woman. Last winter she came up with a special called *How to Survive the '70s and Maybe Even Bump into Happiness*, a thoroughly distasteful blend of toothless social satire and Vegas vulgarity. This fall Moore unveiled *Mary*, a regular variety show in CBS's old Sunday-night Ed Sullivan slot. On *Mary* the star had the aid of some top writers and supporting players, including Dick Shawn and Swoozie Kurtz. But the show flopped about aimlessly and folded last month after only three airings. *Mary* deserved to die. Its star cannot sing and cannot dance and certainly cannot carry a weekly hour of musical high jinks.

What *Mary Tyler Moore* can do—and it's nothing to be embarrassed about—is act. Indeed, she may be a better actress than either she or her fans realize. The proof can be found this week when CBS airs a TV movie that features Moore in a rare serious role. The film, *First, You Cry*, is a strong adaptation of NBC News Correspondent Betty Rollin's book about her recovery from a mastectomy.

Even without its star, *First, You Cry* would be superior television. The unusually high-powered cast includes Anthony Perkins, Jennifer Warren and Florence Eldridge as Rollin's family and friends. Director George Schaefer helps keep the story from sliding into soap opera. Carmen Culver's script is not afraid to deal frankly with the physiological, psychological, sexual and social cruelties of cancer. It is Moore, however, who gives what is essentially a public service drama its surprisingly fine emotional texture.

First, You Cry is not, as one might ex-

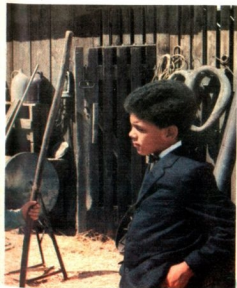


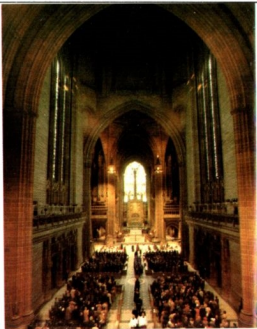
Mary Tyler Moore in *First, You Cry*
Taking risks in closeup.

pect, *Mary Richards Gets Cancer*. Rather than fall back on her considerable resources of charm, Mary plays Rollin as a rather cold and strident woman at first. When tragedy strikes, she gradually works shades of anger, maturity and self-doubt into her characterization. As a result, Moore does not just jerk the audience's tears but gives a sense of how one complex life can be redefined by an encounter with death. She also plays some extraordinary scenes, including one where we see Rollin's face as she examines her chest for the first time after surgery. A lesser actress would not have risked such a moment in closeup.

After a performance like this, one might expect Moore to undertake other serious roles. Perhaps she might commission a new dramatic series from her own production company, as Edward Asner did with *Lou Grant*. But what is *Mary Tyler Moore* doing? She is revamping her variety hour for another try in January. Here is an actress with the range to be the tube's answer to Jane Fonda: what a waste that she aspires instead to be Juliet Prowse.

—Frank Rich





The Cathedral Church of Christ: clean, neo-Gothic lines and a soaring interior that won it praise as "one of the great buildings of the world"

Architecture

A Masterpiece for Merseyside

After 74 years of building, Liverpool has its cathedral

Master Stone Carver Tom Murphy was born in 1904, the year King Edward VII visited the booming port city of Liverpool to lay the foundation stone of a great new Anglican cathedral. As Murphy grew up, so did the cathedral, with stone upon hand-dressed stone rising on a rocky eminence overlooking the Mersey River. Then, 44 years ago, Murphy himself joined the work force on the vast new church. In the decades since, with hammer, chisel and mallet, he has carved more than 100 heraldic shields, ornaments, pinnacles and corbels to decorate the cathedral inside and out; his last accomplishment is the royal coat of arms, 5 ft. by 5 ft., over the west doorway—a task that took him nine months. He also enjoyed a privilege few craftsmen have experienced since the Middle Ages. He was present to see his monarch, Queen Elizabeth II, preside over the dedication of Liverpool's Cathedral Church of Christ, 74 years after it was begun.

Conceived in the Edwardian era of optimism, the cathedral is nothing if not ambitious. It was the first built in England's northern provinces since the Reformation, and may well be the last one in the majestic Gothic style to be erected anywhere. It is the largest church in a country already rich in religious edifices, and the fifth largest in the



Queen Elizabeth II at the dedication



The fanlight of the Benedictine window, which celebrates creation
An awareness of our smallness in proportion to his majesty.

world.* Its vaulting (175 ft. high under the tower) is higher than any other, its length (619 ft.) second only to St. Peter's in Rome. Work on the cathedral continued through two world wars and a depression. During the blitz of 1940, King George VI came to Liverpool and told church officials: "Keep on with the work, if only in a small way. Refuse to be beaten." Work continued even after bombs damaged the walls and blew out several windows of the completed Lady Chapel. The pounds of merchant benefactors and the pence of a devoted public paid the bills: over the years the cathedral has cost more than \$11 million and only \$100,000 more remains to be raised for final expenses, although maintenance costs will remain high. At that the cathedral is a bargain: at today's prices, it would probably cost ten times as much to build.

What Liverpoolians got for their generosity is no mere ostentatious pile of stone. The cathedral's clean, neo-Gothic lines and soaring interior have already been widely praised; England's Poet Laureate Sir John Betjeman, a connoisseur of architecture, pronounced it "one of the great buildings of the world." Yet its architect, a Roman Catholic named Giles Scott, was a 22-year-old unknown when he was chosen from among 102 competitors in 1903. Later Scott would go on to design London's Water-

*The other four: St. Peter's Basilica in Rome; Seville Cathedral in Spain; Milan Cathedral; still unfinished Episcopal Cathedral of St. John the Divine in New York City.

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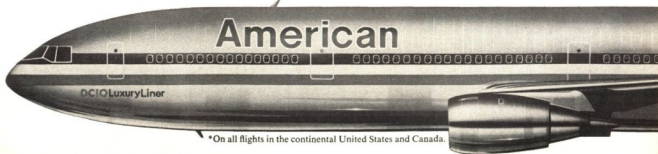
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Architecture

loo Bridge and the massive Battersea power station, and to rebuild the bomb-gutted House of Commons after World War II. But the cathedral remained his masterpiece, a modern vision of Gothic that is uncluttered and open. "Don't let your eyes dwell on the soaring arches or tracery of windows," he told visitors. "Look at my spaces." Scott, later knighted by King George V, supervised construction for more than half a century. He personally set the last stone on the highest tower pinnacle during World War II. He died in 1960 at 79 and is buried just outside the cathedral's imposing west front.

Especially during the later years of construction. A religious journal complained that "a pilgrim church cannot spend its time, thought and money on monumental buildings." An anonymous critic painted on an outside wall: "Christ was poor and homeless. Two-thirds of humanity starve."

The graffiti distressed the cathedral's Dean, the Very Rev. Edward Patey, a clergyman known for his social science, but he defended the project forthrightly. "It might be called wasted space, wasted heat, by some," he says today, "but there is an instinct that one aspect of worship of God is to be aware of our smallness in proportion to his majesty. The medieval builders felt this. To go to worship God is not just like going out to buy a packet of fish and chips." As for the cost, Dean Patey has no apologies: "Compared with what people spend money on—nuclear submarines and Concorde—the cost of a great cathedral is almost negligible. Your nuclear sub and the Concorde will be obsolete in a few years, but this place will be admired in 500 or 1,000 years' time."

The cathedral's completion could help to spur the finishing of two grand Episcopal churches in the U.S.—Washington's National Cathedral, begun in 1907, and now stalled for lack of funds, and New York's St. John the Divine. A massive drive is planned to collect funds to complete New York's cathedral, which has been under construction since 1892. But New Yorkers will not get off as cheaply as Liverpudlians have. The estimate just for finishing St. John's: \$20 million.

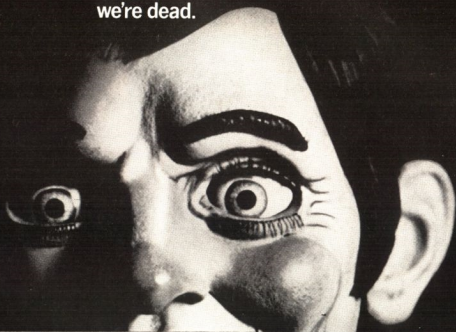
Patey concedes that Liverpool's Cathedral was built only because it was started long ago: to launch a similar project now "would not fit the mood of the church today." But, he adds, "we have here in the work of stonemasons, stained glass artists, carpenters, sculptors, organ builders, metal workers, clear evidence that in an age which too easily tolerates the shoddy and second-rate, we can find craftsmen who can match any who have gone before. I'm glad that Merseyside has actually completed one of the great buildings of the world in a century of so many shattered dreams and broken promises."

Abracadabra,
I sit on his knee.

Presto chango,
and now he is me.

Hocus pocus,
we take her to bed.

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we're dead.



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Living

Upstairs, Downstairs Revisited

The dwindling ranks of domestics gain new respect

Soon after dawn, cleaning women used to stand in a row on Burnside Avenue in The Bronx, waiting for well-heeled Manhattan matrons to drive up and hire them for a day's work. "Often they'd ask to see your knees," recalls Geraldine Miller of those lineups in the '30s. "The women with the worst scarred knees were hired first because they looked like they worked the hardest." Their pay for an eight-hour day: 30¢ to 40¢. Today their pay may be as much as \$40 a day, and it

radierie that women in offices share."

Nevertheless, in the past few years, domestics have begun to organize, and in 1974 the federal minimum-wage law was extended to household workers (it is now \$2.65 an hour). The National Committee on Household Employment meets regularly to make recommendations for federal regulation of household working conditions. Their bargaining position, oddly enough, is strengthened by their dwindling numbers.



with his wife "because our maid insisted on going home to Ireland that month." A San Francisco mother who is working for her B.A. plans her classes around her housekeeper's schedule. While many people tend to tidy up before their cleaning women arrive, a New York communications manager goes that act one better: after he has a party, he hires a cleaning service to straighten up the apartment before his regular maid arrives. Liberal and feminist sentiments also make some employers feel guilty about hiring others to do their dirty work, and the problem has often been debated in women's groups. Says Pam Gray, a Los Angeles attorney: "I am so grateful that I am probably less demanding of my cleaning woman than



The new professionals, Atlanta's Mini Maid crew, can clean a house in 20 minutes. The old days: a black domestic scrubs the stairs

"Back not so long ago we worked just like slaves. It was degrading. Now I tell our women they have a profession to be proud of."

is the employers who queue up to find good, reliable help.

Just as more women are returning to work and need assistance with the chores at home, good help is harder than ever to find. According to the National Committee on Household Employment, the number of domestics has declined dramatically from some 2.5 million four years ago to 1.5 million today. The reasons: generally low pay, few benefits, transportation difficulties, low status and the easy alternative of going on welfare. "There is still a stigma attached to being a domestic," says Historian David M. Katzman, author of *Seven Days a Week* (Oxford University Press; \$14.95), a new book about household help in the U.S. from 1870 to 1920. "Cleaning women," he adds, "suffer from isolation and an atomization of work. They have none of the cama-

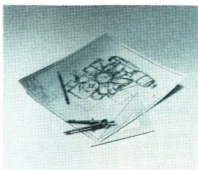
Today, a New Yorker looking for full-time, live-in help must compete with as many as 70 other applicants for the same worker. Live-in housekeepers on Long Island frequently get a color TV in their private quarters, use of a car and country club privileges in addition to their pay. In many urban areas, homeowners resort to maid sharing, maid stealing and other unorthodox means of getting help. A Fort Lauderdale couple succeeded in finding a housekeeper only after the husband, an attorney, received a client's domestic as part of a bonus for handling his divorce case. "I never know whether she's going to show up or not," admits the wife. "Still, I'm lucky to have her. If I tell her she's not reliable, she'll just tell me that she can work some place else."

A Washington businessman turned down an all-expenses-paid trip to Egypt

I am of another type of agent, like an accountant or a travel agent."

However, the profile of the domestic worker as a poor, ill-educated woman is slowly changing, as students, artists, writers and housewives adopt household work as a flexible form of employment. Their families are not always pleased. "My aunt babbles on about my editing and my traveling, but she never mentions my cleaning," says one part-time editor. After quitting a managerial job at Joseph Magnin, Taryn Stenman, 22, worked as a maid for six months and found that she made so many connections as a result of cleaning homes that she started her own catering service. "People can use this type of job as a steppingstone," she says. "It's a fast way to make money and it's the type of job you can always find." Fred and Harriet Hoffman, who once employed ser-

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Delta 88s (4)	5.7L	A	29/21	
Ninety-Eights (4)	5.7L	A	29/21	
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Living

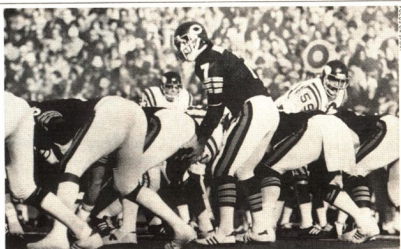
vants of their own, turned to domestic work when Fred's antique business faltered. At \$10 an hour, they make enough to afford a \$50,000 Fort Lauderdale townhouse—one very similar to those they clean.

The new breed of domestic sometimes works through an agency like Chicago's Broom Hilda service, which, according to Owner Lou Williams, looks for employees with stability, literacy and shared values with the clients. Although Broom Hilda charges customers \$6 an hour and pays its workers only \$3, it supplies all necessary equipment, handles Social Security forms and offers insurance benefits. Other services, like Mini Maid in Atlanta, send out crews of three or four women who for \$25 to \$28 can clean a two-bedroom house in 20 to 25 minutes.

"Cleaning services display a sense of professionalization that tends to upgrade the occupation of the domestic," says Katzman. "Traditionally the worker was hired to satisfy the employer's personal status needs; today that process is being depersonalized. The new services decide how they'll clean the house. As professionals, they don't have to listen to the housewife's way of doing things. It's more businesslike—they simply make a contract for a certain job to be done."

Of course, that new contractual relationship between employer and domestic flourishes at the cost of a certain special intimacy that once existed in many households. Katzman's wife, Sharyn, for instance, remembers the closeness between her mother and their day worker, Ksenia. "Ksenia had just come over from the Ukraine, and my mother taught her English and helped her pass the immigration tests. They spent a great deal of time together in the house and, whenever one of them had a private grief, they would share it with the other. There was a real caring there."

In a modern, industrial society, however, it is perhaps inevitable that obligations once based on tradition, class and personal loyalties will be replaced by more businesslike covenants. Ideally, as the old bonds of affection—and inequality—become obsolete, something new will evolve: a mutual respect. As Annie Love, a long-time domestic who is now head of Miami's Household Technicians, Inc., puts it: "Back not so long ago we worked just like slaves. They always made us use a separate plate and fork to eat from and a separate glass to drink out of. It was degrading. Now I tell our women they have a profession to be proud of. We provide an important, necessary service—no different from a secretary. We expect to be treated no different than any employer would treat any employee." That day has not yet arrived, according to one Atlanta black who has worked as a domestic for 30 years. "The big change in employers," she says succinctly, "is that they're having to pay more, and it's killing them." ■



In typical football ritual, quarterback barks signals before receiving ball from center

Behavior

Football as Erotic Ritual

Are the guys on the gridiron really gay?

A quarterback receives the ball from between the center's legs. After a successful play, teammates sometimes hug or slap each other on the bottom. The possible homosexual implications of these and other football rituals have long been noted by professional and amateur behavioralists alike. But none have studied the subject more closely than Alan Dundes, an anthropologist at the University of California in Berkeley. In his view, fanny patting and centering the ball are only the tip of the gay iceberg. Writing in *Western Folklore*, Dundes says that the "unambiguous sexual symbolism of the game" makes it clear that football is a homosexual ceremony.

Dundes calls the consistency of the imagery "nothing short of amazing." He notes that uniforms are sexual—enlarged head and shoulders, narrow waist and skintight pants accented by a molded codpiece. The jargon too is erotic: "score," "down," "piling on" (gang rape), "popping" an opponent (overtone of defecation) and "sacking" the quarterback (plunder and rape). Players try to knock opponents down, putting them in the "supine, feminine position." Indeed, says Dundes, "football is a ritualized form of homosexual rape. The winners feminize the losers by getting into their end zone."

To Dundes, the three-point stance of football players is a form of sexual presentation derived from the animal world. Just as apes raise their bottoms and present their genitals as a sign of submission to stronger males, linemen present their bottoms to their more prestigious teammates in the backfield. "Spiking" the ball after a

touchdown, says the anthropologist, "confirms to all assembled that the enemy's end zone has been penetrated."

Is football some kind of mass men's room solicitation of the national psyche? Not at all, says Dundes. It is merely a sanctioned form of theater where players and fans can safely discharge their homoerotic impulses. Coaches who ask players to refrain from sex before a game intuitively understand that football is a temporary substitute for heterosexuality, just as "football widows" understand that their husbands are "dead to them sexually" while football is on TV. "Football is a healthy outlet for male-to-male affections," says Dundes. "Just as spin the bottle and post office are healthy outlets for adolescent heterosexual needs."

Dundes' theory has received scattered support. Says San Francisco Psychologist Jane Jacobs: "I think Dundes' ideas are very profound. My hunch is that it's right on." Former Running Back Dave Kopay, author of *The David Kopay Story* and now a gay militant, agrees that if homosexuality is not overt on the football field, "it sure as hell is covert."

But reaction in the Berkeley area has generally been chilly. Says Dave Casper of the Oakland Raiders (should it be Pillagers? Rapists?): "People outside of sports are always making things up on little evidence." Adds University of California Football Coach Roger Theder: "It's the most ridiculous thing I have ever heard." Some campus athletes agree. Says Freshman Football Player Ron Goldy: "I was so angry, I just wanted to get my hands on the guy—I mean on his neck." ■

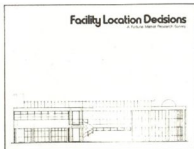
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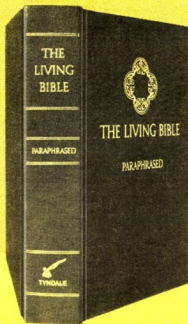


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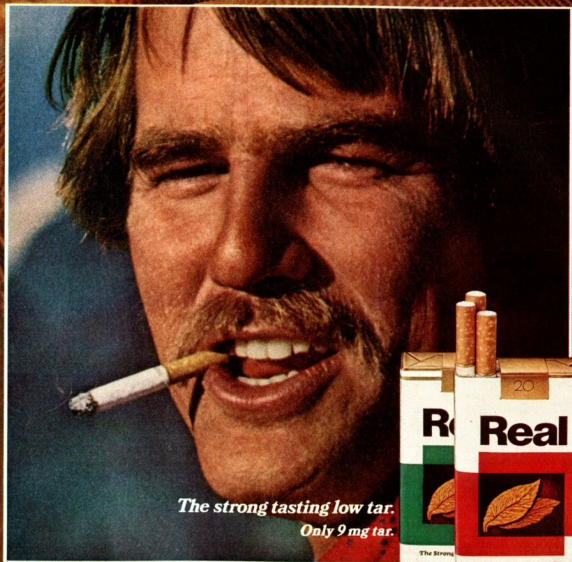
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**In 1947, it was the MG-TC.
In 1953, it was the Corvette.
In 1970, it was the 240-Z.**



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Imagine owning one of those classics when it first came out. Clipping daisies with the knock-off on an MG-TC. Watching heads turn as you eased down the street in a new '53 Corvette. Catching the next gear, 6,500 on the tach, and another car all at once in a 240-Z. It was something you'd remember for the rest of your life. And it was a lot of sports car for the dollar.

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Now there's the '79 Mazda

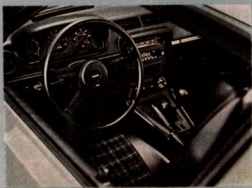
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It knows what to do with a winding road, too. The compact Mazda rotary engine fits neatly behind the front axles,

making the RX-7 a front mid-engine design with impeccable manners.

And where sports cars have tended to be cramped, noisy little devils, the RX-7 is roomy,





1947.
The MG-TC.



1953.
The Corvette.



1970.
The 240-Z.



quiet and comfortable with luxury features like AM/FM stereo, electric rear window defroster, side window demisters and reclining bucket seats standard on both the S-Model and the more luxurious GS-Model shown above.

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So if you thought you'd never own one of the great sports cars, think again. The Mazda RX-7 is here. It's not a lot of money. But it sure is a lot of Mazda.

From \$6,995*

GS-Model shown: \$7,695*

*Manufacturer's suggested retail price for S-Model \$6,995. For GS model shown \$7,695, (slightly higher in California). Actual prices established by dealers. Taxes, license, freight, optional equipment and any other dealer charges are extra. (Wide alloy wheels shown above \$275 extra.) All prices subject to change without notice. Mazda's rotary engine licensed by NSU-Wankel.

mazda

**The more you look,
the more you like.**

Environment

A Pall Over the Suburban Mall

Burlington, Vt., defeats a competing shopping center

They had glamorous names like the Miracle Mile, Fashion Island and Greenacres. Away from decaying downtowns, offering ample parking space, often lined with shaded walkways, they were gleaming oases of retail chic among the growing, monotonous tracts of ranches and split-levels that spread out from the nation's cities after World War II. Now, more than a generation after the first sprawling shopping centers began sprouting up in suburbia, these great concrete meccas of merchandising are coming under increasing attack.

Many of the malls were convenient, innovative and handsome. Indeed, the shopping center became a glittering symbol of a modern, efficient America. But even some of its early promoters have had a change of heart. Architect Victor Gruen, who designed suburban Detroit's Northland and Eastland, Chicago's Randhurst and Philadelphia's Cherry Hill, as well as other successful shopping centers, is disillusioned with the ugliness and fast-buck approach of many projects. Says he:

"I refuse to pay alimony for those bastard developments."

Critics also note that malls are voracious consumers of electricity and—because they can usually be reached only by automobile—of gasoline. They gobble up valuable farm land, pollute the environment, overtax local services, create great traffic snarls, and all too often are vast asphalt eyesores. Worse still, by encouraging the exodus of both shopkeepers and shoppers to the suburbs, they only hasten the decay of downtown areas.

The Federal Government, too, apparently wants to discourage the proliferation of suburban malls that threaten the vitality of urban centers. Several federal agencies, by refusing to provide money for access roads and other necessary improvements, recently helped block proposed malls that would have competed with the redevelopment plans of Charleston, W. Va., and Duluth, Minn. The Government has also pitched in more directly, providing grants to over 100 cities in hope of helping downtown store owners.

Meanwhile, the Department of Housing and Urban Development is encouraging big retailers like Sears, Roebuck to expand operations within the cities. This need not involve economic sacrifice. Such highly successful downtown malls as Houston's glossy enclosed Galleria, Boston's colorful new Faneuil Hall Market place and San Francisco's Ghirardelli Square restoration show an appreciation of both architectural and bottom lines.

In a classic example of civic self-defense, Burlington, Vt. (pop. 38,000), has now dealt the suburban mall still another blow. Overlooking Lake Champlain about 40 miles from the Canadian border, Burlington is an old port and mill town that has been enjoying an economic and architectural renaissance. Prestigious firms, such as IBM and Digital Equipment Corp., have moved into the area and built plants. The seedy waterfront is undergoing a face-lifting, and many of the city's Victorian buildings have been transformed from shabby relics into stylish shops, restaurants and dwellings. But Burlington's boom was threatened in 1976 when a major shopping-center developer, the Pyramid Companies, decided to build an 82-store complex on an 80-acre hayfield in the town of Williston (pop. 4,000) only five miles away.

DEWAR'S PROFILES

(Pronounced Do-ers "White Label")





A model of the shopping mall proposed for Williston, Vt., outside Burlington
Second thoughts about the great concrete meccas of merchandising.

Many of Williston's property owners welcomed the center; it would have increased the tax rolls and, by one estimate, cut real estate taxes by 30%. But others, alarmed by the size of the mall, sent out an appeal to nearby communities to help in the battle against the project. Burlington needed no real urging. The city's financial advisers figured that the Williston shopping center would be too much competition for Burlington's new downtown mall and would drain off some \$25 million in sales from local merchants (about 40% of Burlington's retail business), reduce property tax collections by 14% and confront the town with severe budgetary problems. Pyramid, which had

already built more than two dozen shopping centers, was far from a pushover. Its arguments were so persuasive that after a year of public wrangling, the pro-mall forces in Williston won a referendum forcing their local government to cease its opposition to the center. Fortunately for Burlington, there was another recourse.

Under a 1970 environmental protection act, Vermont had created nine district commissions that are required to review the impact of all projects involving ten or more acres of land in their areas. The commissions can either reject or approve such proposals. Pyramid, which had sharply revised its original plans to

meet environmental objections, promptly asked for the panel's endorsement. Burlington, joined by such allies as the Sierra Club and the Friends of the Earth, resisted fiercely. During 50 public hearings, anti-mall forces warned of "the threat to the Vermont way of life." A local folk group weighed in with a ditty entitled *The Mall That Ate Williston*.

After reviewing thousands of pages of testimony, the commission acted. Although it applauded the developer for its landscaping, water pollution control and energy conservation efforts, the commission noted that by dictionary definition, the environment is an "aggregate of social and cultural conditions that influence the life of an individual or community." By that standard, the commissioners said, the mall would indeed have an adverse environmental impact on neighboring Burlington, not only by stunting its own orderly growth, but also by affecting its entire social fabric. The decision: no mall.

Pyramid, which has invested some \$2 million in its proposal, quickly announced that it would appeal the decision to the state's environmental control board or the courts. But whatever its outcome, the case has already had an impact far beyond Vermont. Burlington Mayor Gordon Paquette says he has received requests for advice from Helena, Mont., and New Hartford, N.Y., among other cities that have decided to fight for their lives against suburban malls.

ARLENE PORTNEY

HOME: Meadowbrook, Pennsylvania

AGE: 27

PROFESSION: Concert pianist

HOBBIES: Mountain climbing, model-railroading, squash.

MOST MEMORABLE BOOK: "Ada" by Vladimir Nabokov

LATEST ACCOMPLISHMENT: First American woman ever to have won first prize in a major international piano competition: The Prix Beracasa, Paris, France.

QUOTE: "I've always felt that art is to be cherished. It convinces us of the dignity of life, and that for which civilizations have been remembered."

PROFILE: Sensitive, gifted and thoroughly dynamic. A true romantic, she's committed to making music more accessible to everyone.

SCOTCH: Dewar's "White Label"

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Environment



Leopard in Israeli desert

Desert Rescue

Saving animals of the Bible

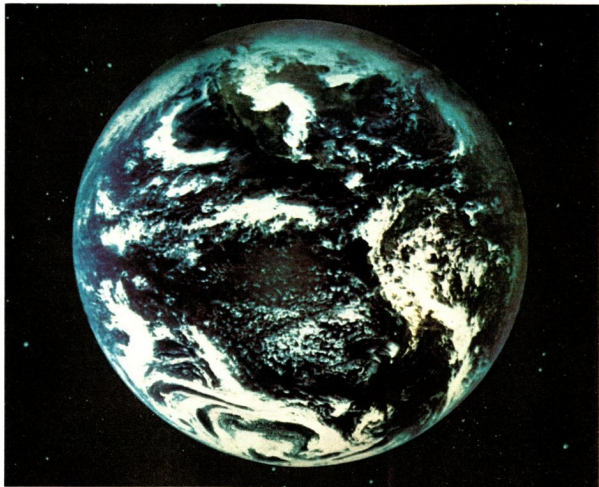
Foxes are always the first to arrive, lured by the scent of horse meat, beef and freshly killed chicken left at the edge of a desert road. Soon they are followed by other predators: wolves, jackals, hyenas and occasionally even a leopard. One after another, they partake of the roadside feast, while ignoring the nearby human observers. This remarkable nocturnal ritual is repeated once every two weeks at five locales in the bleak wastes of the Negev and Judean deserts, supervised by Israel's Nature Reserve Authority.

Under way since the early 1970s, the feeding program is the centerpiece of an Israeli effort to protect endangered desert species and repopulate the land of the Bible with the animals that inhabited it during ancient times. Thus even such creatures as jackals and wolves, which are anathema to farmers, enjoy the benefits of government largesse. Says Zoologist Giora Ilany, 40: "If these animals are not saved, this country would look like the face of the moon."

The age-old scarcity of water and foliage in the wasteland has always sharply limited its animal population. But the recent exploitation of the desert has added to the environmental pressures on wildlife. Israeli officials estimate that the hyena population, about 200 in the 1950s, had been reduced to less than 100 by 1970, largely because of encounters with speeding automobiles. Wolves faced a more subtle adversary: while raiding the garbage dumps of kibbutzim (collective farms), they often consumed fatal doses of pesticides. The otter population declined because of pollution of the desert's few rivers, while the Nubian ibex fell to Bedouin poachers.

The feeding stations cannot save all the desert's endangered species; only the more aggressive carnivores will use them. Officials must also avoid leaving too much food, lest the animals stop fending for themselves. Still, the program seems to be succeeding. Recent estimates by the authority show a healthy increase in the populations of all 13 species that use the stations. ■

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take to power a city the size of Chicago for the next 75 years.

And in both Northwestern Nevada and Utah, Phillips is developing additional sources of energy by drilling deep beneath the earth's crust to tap the enormous power of natural geothermal wells.

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The Performance Company



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AGED **8** YEARS

Books

The Bard for a New Generation

THE ANNOTATED SHAKESPEARE by A.L. Rowse; Potter; 3 vols.; \$60

The theater that first housed Shakespeare's plays was not merely named the Globe, it was the globe. Under its famous open roof humanity passed in review. It was a whore and a fool and a murderer and it laughed; it was a virgin and a king and a samaritan and it mourned. It was fettered to its passions and ruled whole nations. It fumed at fortune and men's eyes and celebrated its own appetites. It passes still, and the writer who sets out to map the plays and po-

a critic, and he was right. Volume after volume has testified to Rowse's intimacy with the 17th century. No sexual custom, no oddity of language or quirk of lore seems to have escaped his attention. Now he displays his wit and erudition in an extravagant three-volume work that has no precedent and is not likely to have successors. *The Annotated*

Shakespeare has no restrictions; it suits the actor and the scholar, the general reader and the child. Its pictures are copious but never merely decorative. Some 4,200 illustrations compare ancient productions with those of Laurence Olivier and Marlon Brando. Woodcuts from Holinshed's *Chronicles*, which Shakespeare ransacked for his plots, jostle with faded maps and new costume designs for the Stratford festivals.

Dr. Rowse's introductions to the plays are models of brevity and resonance. "Each age flatters itself that it understands the past better than its predecessors have done," observes the annotator. "But I think that we in our time do understand the Elizabethan Age better... Our very insecurity, the sense of contingency upon which all life hangs... give us better—or, rather, worse—reason for understanding the tragic depiction of life in Shakespeare's greatest works." Yet Rowse is quick



From left: the real Cleopatra; costume design for *Romeo and Juliet*; the authentic Shakespeare

ems ends, as Critic Leslie Fiedler once did, with "not another book about 'Our Shakespeare,'" but one about 'Shakespeare's Us.'"

Yet it would be false to call the Bard contemporary. His psychological insight may be keener than Freud's, and his social perceptions, about women and blacks for example, travel freely across the borders of age. But he was first and last an Elizabethan.

In his time, plague was in the air, and the death of kings implied an unimaginable catastrophe. Racism and superstition prevailed. Occupations that are now obsolete dot his plays: cooper, wheelwright, alchemist, bellman. His language glitters with marvelous words that have, alas, also become obsolete: porpentine (porcupine); swound (faint); german (akin); caitiff (wretch); borthens (the hair of corpses); grise (a stair); bisson (blind). However immortal, Shakespeare, no less than Aristophanes or Mozart, needs his modern interpreters.

Enter, stage right, A.L. Rowse. "If it is something about the Elizabethan Age, you would do well to ask me," the retired Oxford don once wrote to



The Globe Theater, the Bard's playhouse

No sexual custom, no oddity of language or lore seems to have escaped his attention.



Marlon Brando in *Julius Caesar*



Laurence Olivier as Othello

to notice that in the comedies "the salty humour has been a preservative through the centuries, one of the forces that have kept him alive. For sex is a force, indeed the life-force; and Shakespeare is the sexiest, bawdiest of all great writers."

It is in the broad wide margins that *The Annotated Shakespeare* makes its most enduring contribution. Here are the old phrases, clarified and illuminated; here is the James VI family tree traced back to Banquo; here is the real Cleopatra staring out from an Egyptian wall painting; here are the faces and personalities of pagan gods who haunt the soliloquies: Tellus, Jove, Aesculapius, Venus and Adonis, Phaëthon. Hardly a character, historical or fictive, remains unshown in this vast museum without walls. Primary among them is the Bard himself: London-dweller and countryman, conservative and revolutionary, pursuer of women and country husband, writer for the galleries and the Queen; a man as rich and original and varied as this inexhaustible work.

Certainly there have been closer examinations of Shakespeare's "motivless malignity" and comic imagery; there are variorum editions that more thoroughly note corruptions of the text from the First Folio onward. But no other book so resourcefully examines the correspondence between the stage and life, particularly modern life; no writer has made Shakespeare more beguiling to the eye or more accessible to the age. In death, Hamlet's father cries. "Adieu, adieu... remember me." It is also the playwright's plea. Rowse has heard it and amplified it for generations to come.

—Stefan Kanfer

When Alfred Leslie Rowse and the century were young, he used to perch on the high stone wall surrounding a Cornish manor house. "I'd sit there and wonder," recalls the owlish bachelor. "Why couldn't I live there? Why couldn't it be mine? Well, I finally made it."

The climb over the wall took almost half a century and incalculable strain. Of Rowse's 43 books, none is more revealing than his first appearance in print: a schoolboy poem in a slender anthology. All the other contributors, among them Graham Greene, were from privileged private schools. Alfred, the son of a tradesman, was the sole county-school representative. His rise thereafter was rapid, but its price was prohibitive. While at Oxford, the scholarship winner succumbed to attacks of ulcers. "Illness dominated the first half of my life," he remembers. "It made me more withdrawn."

The library became his refuge and salvation. Between the wars, the don's reputation as a researcher and writer grew; T.S. Eliot sought his articles on Marxism, presented with a historian's detachment; W.H. Auden befriended him. By the '50s he was famous. Today Rowse lacks his conversation with recollections of



A.L. Rowse

The library became refuge and salvation.

the mighty: "Eleanor and Franklin Roosevelt spoke much clearer English than Winston, who had a speech impediment as a child and always lisped somewhat."

Although Rowse has long been a part of the British literary establishment, he has never felt comfortable with it. For one thing, the members operate in the wrong era. "This filthy 20th century," complains the self-made elitist. "I hate its guts." What better place for a man who loathes welfare statism than the century of the other Elizabeth? After decades of living in its atmosphere, Rowse tends to treat the Bard as an intimate. Others may puzzle over the identity of the Dark Lady of the Sonnets; Rowse is sure that she is Emilia Bassano Lanier, the half-Venetian wife of a court musician and "a bad lot." As for those who find evidence of homosexuality in the canon, Rowse dismisses them as "silly buggers. The idiots can't see that Christopher Marlowe was a roaring homo, and Francis Bacon was a homo, but that Shakespeare was more than normally heterosexual—for an Englishman." Such fulminations have provoked assaults by critics, who find the challenger "impudent," "self-advertising" and full of "melodramatic fantasies." Rowse counters in iambic pentameter, by cursing "the blinkered outlook of academics." His most persuasive replies, however, are a series of militant books about the Elizabethans, and *The Annotated Shakespeare*. There he dissects *Love's Labour's Lost* to find fresh evidence that Shakespeare penned his own droll self-portrait as Biron and modeled Biron's dark lady, Rosaline, on Emilia Lanier. Further clues are on the way. This month, when Rowse visits the U.S., he will bring with him a sheaf of newly discovered poems by Emilia. The 74-year-old Cornishman is rooted to his native soil, but this, after all, is a special occasion. "Americans," vows Rowse, "are really more open-minded than the British."

Notable

SOMEBODY'S DARLING

by Larry McMurtry

Simon & Schuster; 347 pages; \$10



Larry McMurtry

As if a first-person novel were not difficult enough, Larry McMurtry narrates his new Hollywood story in three first-person voices. In Book 1, Joe Percy, a sixtyish screenwriter and seducer of bored young Bel Air wives, speaks of his affection for Director Jill Peel. Book 2 collects the machismo sputters of Producer Owen Oarson, who moves in as Jill's great physical love. Book 3 is written in Jill's voice—a cool meditation on her life, her men, and their inscrutable ways.

Like a Hollywood morning, *Somebody's Darling* gets off to a slow start, but picks up velocity and life (and more than a few deaths) as it moves along. McMurtry tosses off an awful good Sam Spade-ish one-liner (an aging producer toasting in the poolside sun is a "ninety-year-old french fry"), and a pair of good-ole-boy screenwriters from Texas provide boisterous comic relief. McMurtry, who knows the Hollywood milieu firsthand, reveals a nice sense of place and trade. The celluloid scene has been done before; what McMurtry gives it—as he gave that sour Texas town in his *The Last Picture Show*—is a sense that even the meanest lives deserve a measure of compassion.

PANAMA by Thomas McGuane

Farrar, Straus & Giroux

175 pages; \$7.95

Thomas McGuane's first three novels (*The Sporting Club*, *The Bushwhacked Piano* and *Ninety-Two in the Shade*) certified him as a young man on the way to becoming a Major American Writer, one of the four or five best of his generation (he is now 38). McGuane, ran the critics' early form, was Hemingway by way of the drug generation.

Perhaps celebrity is bad for the talent. In any case, *Panama* is fairly minor McGuane. In his tale, Chester Hunnicutt Pomeroy is an overnight American superstar rapidly descending to the white-dwarf stage. His act, something along the

Books

lines of Alice Cooper's, only more so, included a routine in which he crawled out of an elephant's behind and duelled with a baseball pitching machine. Now, his brainpan made porous by drugs, Pomeroy has withdrawn to Key West, where he maniacally stalks his old love Catherine. A man with a lot less charm or interest than the author imagines, Pomeroy is given to such gestures as nailing his hand to Catherine's front door with a gun butt. He is also inclined to flights of lyrical bombast: "They were pines that dared to suggest that islands are misery where brave horsemen run off the earth and topple into the unknown."

Panama may be intended as a dithyramb of exhaustion—Pomeroy's and, grandiosely, the American culture's. But despair loses something when it is unearned and vaguely cute. The novel savors of cocaine, narcissism and a certain impenetrable smugness.

MIRANDA by Pamela Sanders
Little, Brown
429 pages; \$9.95

"I have been sexually slumming for years," confesses Miranda Pickerel. "Having finally broken the bonds of propriety, I, like a proper Victorian gentleman, reserved my screwing for sluts and kept my true loves on a pedestal."

Odd that she should compare herself to a gentleman; Miranda is very much a lady, despite her frantic attempts to live like a stripped-down version of Fanny Hill. Still, there are reasons for her attitude: for 30 years Miranda has been in love with Daddy, and the Electra currents never let up.

Bobbing on a yacht near Honolulu, the journalist heroine and her father, a domineering Englishman, begin to reminisce. Memories flood back: the death of Miranda's stepmother, her first lover, her childhood in a Manila prison camp, her second lover, her experiences as a gossip columnist and war correspondent, her third, 16th and possible 490th lover—the reader is never sure.

The sex of this first novel is, in fact, its least attractive aspect. All picaresques

from *Moll Flanders* to *Fear of Flying* tend to grow repetitious; there are few things to give the woman who has everyone. But when Pamela Sanders, a former war correspondent, describes the Southeast Asian landscape she shows an acute sense of place, and her parodies of journalists are unfailingly funny.

This combination of commercial exploitation and Oriental tong-in-cheek satire derives from Erica Jong and Evelyn Waugh. A peculiar and not unappealing combination, but Sanders would do better to write, as she does on occasion, in her own clear and witty voice.

Editors' Choice

FICTION: *Adjacent Lives*, Ellen Schwamm • *Faeries*, Brian Froud and Alan Lee • *Short Stories*, Irwin Shaw • *Shosha*, Isaac Bashevis Singer • *The Stories of John Cheever*, John Cheever • *The World According to Garp*, John Irving • *War and Remembrance*, Herman Wouk

NONFICTION: *A Distant Mirror*, Barbara W. Tuchman • *American Caesar*, William Manchester • *E.M. Forster: A Life*, P.N. Furbank • *In Search of History*, Theodore H. White • *Montaillou: The Promised Land of Error*, Emmanuel Le Roy Ladurie • *Robert Kennedy and His Times*, Arthur M. Schlesinger Jr. • *The Gulag Archipelago III*, Alexander Solzhenitsyn

Best Sellers

FICTION

1. War and Remembrance, Wouk (2 last week)
2. Chesapeake, Michener (1)
3. Fools Die, Puzo (3)
4. Second Generation, Fast (5)
5. The Far Pavilions, Kaye (6)
6. Evergreen, Plain (4)
7. Eye of the Needle, Forester (7)
8. Scruples, Krantz (9)
9. The Empty Copper Sea, MacDonald (8)
10. Shosha, Singer

NONFICTION

1. In Search of History, White (2 last week)
2. American Caesar, Manchester (1)
3. If Life Is a Bowl of Cherries—What Am I Doing in the Pits?, Bombeck (3)
4. A Distant Mirror, Tuchman (4)
5. The Complete Book of Running, Fixx (5)
6. Gnomes, Huygen & Poorvliet (9)
7. A Time for Truth, Simon (8)
8. Pulling Your Own Strings, Dyer (7)
9. Jackie Oh!, Kelley (6)
10. Robert Kennedy and His Times, Schlesinger (10)



Pamela Sanders
Tong-in-cheek satire.



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Cinema



A difference of opinion in Fiver's warren in *Watership Down*

Bunny Business

WATERSHIP DOWN
Directed and Written by
Martin Rosen

Readers for whom *Watership Down* is a cult object will doubtless find the animated screen version of Richard Adams' tale lacking in those metaphorical, humanistic overtones and undertones that made this novel about a warren of freedom-loving bunny rabbits a bestseller. The film treats the story as a straightforward adventure, full of, shall we say, harebreadth escapes and ear-chomping fights. But given the care with which the animation has been accomplished, the good flashes of wit in the script and the brisk pace of the direction, the result is a first-class family entertainment. That is to say, it is a rare movie that keeps kids on the edge of their chairs without inducing in their parents an overwhelming desire to escape theirs for a smoke in the lobby.

The story involves a shy visionary rabbit named Fiver whose precognition that real estate developers are about to wreck his warren leads sensible Hazel and tough old Bigwig to organize a group of dissidents and set out for Fiver's dimly perceived paradise, the *Watership Down* of the title. In time they are aided by a delightfully loony seagull (whose wonderful vocal characterization is supplied by the late Zero Mostel), who acts as scout and air arm in the climactic struggle against the fascist warren of the evil General Woundwort. Along the way there are troubles with the dogs, cats and humans of a nearby farm, some semimystical encounters with the Black Rabbit (death), not to mention such mundane problems

as snares and *hrududus* (rabbitese for motor vehicles).

The philosophy that sustains the creatures throughout is mildly liberal and humane (somewhere between Bertrand Russell and Hubert Humphrey), and there are moments when one feels that perhaps the whole thing is just another cleverly put ecological tract. What sustains the viewer, however, besides the sound plotting, is the stylishness of the piece. Except for an unfortunate arty prologue with featureless backgrounds and stylized bunnies, *Watership Down* is made in the classic manner of the old, excellent Disney films. The background painting is rich and highly detailed, and this allows the multipane camera to exploit its ability to create the illusion of three-dimensionality, rather like the great tracks through the forests of *Snow White* and *Bambi*. Disney's craftsmen might have made better visual definitions of characters—it's sometimes hard to tell one cottontail from another—but the vocal characterizations by such English worthies as Ralph Richardson, Harry Andrews and Denholm Elliott are never confusing. The English pastoral tradition, both in painting and in literature, informs the movie in a subliminal way that is very attractive. It even makes the largest miscue, a dreadful pop song called *Bright Eyes* sung by Art Garfunkel, almost bearable.

Watership Down may not be the ideal rendering of a book in which a lot of people have a vested emotional interest, but it is a worthy addition to the classic tradition of screen animation. Like the great Disney pictures of the past, it is illuminated by a darkness and an energy that rescue it time and again from blandness and cuteness and give it those resonances that will reverberate in a child's imagination.

—Richard Schickel

Hard Times

PARADISE ALLEY
Directed and Written by
Sylvester Stallone

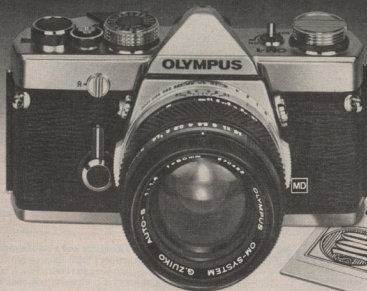
Two movies after *Rocky*, Sylvester Stallone is down but not out. His new film is not the comeback picture that Stallone needs to recover fully from the debacle of *F.I.S.T.*, but neither is it a complete failure. At times *Paradise Alley* looks like a catastrophe: it is often crudely made, badly acted and unwittingly ridiculous. Yet the film doesn't chase the audience out of the theater, as *F.I.S.T.* did. Just when the going gets roughest, this crazy movie springs into idiosyncratic, if fleeting life.

As an exercise in egomania, *Paradise Alley* almost puts Barbra Streisand's *A Star Is Born* to shame. Besides starring in the film, Stallone wrote the script (from his own novel, no less), directed it and sings the theme song. The plot, far too structurally ambitious for a novice director, is a cynical attempt to cash in on every '40s movie cliché not used in *Rocky* and most of those that were. Set in 1946, the story tells of three downtrodden brothers who dream of breaking out of Manhattan's impoverished Hell's Kitchen: a lame World War II vet (Armand Assante), a loudmouthed schemer (Stallone) and a dumb but sweet aspiring wrestler (Lee Canallito). As Alice Kramden of TV's *The Honeymooners* might put it, what we have here are a gimpy, a blimp and a simp.

When dealing with bedrock matters of story and character, *Paradise Alley* is an utter mess. Stallone's two co-stars are blanks on the screen; their personal metamorphoses are too sketchily written and acted to have any impact. The men's love



Sylvester Stallone in *Paradise Alley*
Abdicating the fighter's role.



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OLYMPUS

Cinema

interests (Anne Archer, Joyce Ingalls, Aimee Eccles) are all crassly conceived stereotypes; there is even a hooker with a heart of gold. Whatever credibility exists in the screenplay is soon destroyed by Stallone's direction. *Paradise Alley* is a cinematic minefield of bizarre transitions, cryptic anecdotes, continuity lapses and mushy dissolves. Despite Laszlo Kovacs' first-rate cinematography and Deborah Baudelet's evocative art direction, much of the film looks like a home movie.

The huge set pieces come off a bit better, especially so in the case of a tumultuous fight scene that parallels the climax of *Rocky*. But it is really around its fringes that *Paradise Alley* becomes interesting. Kevin Conway, as a James Cagney-inspired hood, brings savage, roughhouse wit to some incidental barroom scenes. In the expendable role of a has-been black wrestler, Frank McRae is a knockout. Though playing a slow-witted loser without money or friends, this actor retains a delicate sense of dignity. His two brief scenes carry more emotional weight than all the rest of *Paradise Alley*.

The other worthwhile moments in the movie belong to Stallone. Having abdicated the fighter's role for once, he tries to show what else he can do as an actor. As it turns out, he can be quite funny. There are some hilarious bits in which he fends off real and imagined enemies on New York's mean streets; his performance takes on a violent comic vitality that only rarely spreads to his direction and writing. Like the rest of the film, the star is at his worst when he lays on calculated doses of sentiment and sensitivity; at such times, Stallone seems more in touch with imagined demands of the box office than his own instincts. True, his sloppy side eventually buries the movie, but deep within *Paradise Alley* you can hear an original comic voice struggling to burst out.

—Frank Rich



Brothers Canali and Assante
Cashing in on clichés.



Goetz and Epstein in a scene from Gogol's *Marriage* at the Guthrie Theater in Minneapolis

Theater

Gogol Dancing

MARRIAGE

by Nikolai Gogol

Adapted by Barbara Field

Nikolai Gogol had a mind like a trap door. Anyone venturing on the deceptive surfaces of his works must be prepared to lose his footing at unexpected moments and be sent plummeting into radical alterations of consciousness. Realism shifts to fantasy; the prosaic turns mystical; solid citizens stumble unwittingly into topsy-turvy land.

Onstage, Gogol's characters look naturalistic enough, even transparently accessible, but it is the unseen company they keep—God, the devil and Russia—that lends them the strange dimensions of figures in fables. At one point in *Marriage*, a key character breaks into a paroxysm of laughter about the absurdity of just about everything. Then his face takes on an ashen look of desolation, and he says, "God have mercy on our sinning souls." Gogol uses such juxtapositions to go beyond tragedy or comedy into a realm that might be called cosmic farce.

That specific tone is admirably captured in a luminous and hilarious revival of the seldom done *Marriage* at the Guthrie Theater in Minneapolis. For the occasion the Guthrie imported Russian Director Anatoli Efros to stage the play, and his work is a marvel. Communicating through interpreters, he seems to have established an intuitive rapport with the cast. The actors get under the skin of an alien culture and, with seamless ensemble work, translate Russian characters and responses in supple body English.

Gogol produced the play in 1842, and the plot has been a staple in many lands: the comic trials and tribulations of marriage brokers and their clients. Fiokla (Barbara Bryne) is an accomplished matchmaker, but she has something of a problem bride-to-be in Agafya (Cara Duff-MacCormick). Agafya is a mer-

chant's daughter and a bit of a ninny. The three suitors Fiokla lines up are chauvinist piglets. Ivan Pavlovich Poach'tegg (Jon Cranney) is a blustery, pompous bureaucrat. Poach'tegg (sometimes translated Omelet) is only after Agafya's property, a two-story brick house, the walls of which he thumps to test their soundness. Zhevakin (Randall Duk Kim) is a diminutive ex-naval officer who dreams of duplicating the girls of Sicily with their "rosebud mouths" and cushiony flesh. Then there is a snob of an ex-infantry officer, Anuchkin (Jake Dengel), who, though devoid of social graces himself, insists that any bride of his must speak French.

The yeasty comic genius of the play rests with a totally reluctant fourth suitor, a court counselor named Podkoliosin (Peter Michael Goetz). Russian inertia runs like psychic sludge through Podkoliosin's veins. He is a precursor of Goncharov's famed character Oblomov, who could barely make the effort to get out of bed. When it comes to marriage, Podkoliosin can scarcely contemplate getting into bed. But he is sponsored and goaded by his friend Kochkariev (Alvin Epstein), a born busybody. Epstein, in his first season as artistic director of the Guthrie, animatedly embodies the temperament of a man who can always double his energies as long as he is managing someone else's affairs. Finally, Goetz's Podkoliosin, the soul of skittishness, is brought to bay, but in a bachelor's desperate bid for freedom, he jumps perilously out of the second-story window of the marriage site.

The look of the play is part of its encompassing charm. The sets and costumes remind one of the paintings of Chagall with their insulated sense of old Russia and magic innocence. The feel of the play is even more like a Chagall, where people float as if the law of gravity had been repealed. The play is airborne, like a flying Russian sleigh drawn by one of Chagall's huge Delphic birds.

—T.E. Kalem



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18. Senior Statistical Typist (226)
19. Junior Transcription Typist (230)
20. Transcription Typist (231)
21. Junior Shorthand Typist (235)
22. Shorthand Typist (236)
23. Technical Typist (240)
24. Technical Transcription Typist (241)
25. Technical Shorthand Typist (242)
26. Secretary, Other (300)
27. Junior Secretary (301)
28. Secretary (310)
29. Secretary/Transcription (330)
30. Secretary/Shorthand (335)
31. Technical Secretary (340)
32. Technical Secretary/Transcription (341)
33. Technical Secretary/Shorthand (342)
34. Executive Secretary (350)
35. Accounting, Other (400)
36. Payroll Clerk (401)
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39. Bookkeeper/Assistant (420)
40. Bookkeeper/Full Charge (421)
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